Daily Report

Latin America

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FBIS-LAT-90-176 *11 September 1990*

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Cuba

Havana Notes Iraqi Offer To Provide Free Oil

FL1009155590 Havana Radio Rebelde Network in Spanish 1542 GMT 10 Sep 90

["Last minute" AGENCE FRANCE-PRESSE report read by unidentified announcer]

[Text] Nicosia, 10 Sep—Iraqi President Saddam Husayn announced on Monday that Iraq is willing to provide Iraqi oil free of charge to Third World countries who request it.

This offer was made on television in a call Saddam Husayn made for anti-imperialist solidarity, which was monitored in Nicosia. The message was meant for leaders and peoples of the Third World.

The call was read by an Iraqi television announcer.

Aldana Interviewed on Socialism, Economic Problems

AU1009203690 Hamburg DER SPIEGEL in German 10 Sep 90 p 179

[Interview with Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, by unidentified reporter; place and date not given: "We Are Poor, but Proud"]

[Text] [DER SPIEGEL] Why does Cuba stick so tenaciously to socialism?

[Aldana] Our similiarities with European socialism are fewer than the differences: The party did not make the revolution here, it was the other way around. The party is a child of the revolution, and the Soviet Union did not participate in our revolution.

Although we later imitated many bad habits of the socialist system, which was a serious mistake, we avoided the errors, such as the peasants' coercive collectivization and the forcible industrialization of the country. There were never reprisals against the population: no tortures, no deportations of inconvenient persons and people who thought differently...

[DER SPIEGEL] Members of Cuba's opposition have told us completely different stories.

[Aldana] We never shot at our people, not even with tear gas. The party leaders also do not have privileges, they do not keep aloof from everyday life and they eat what everyone eats.

[DER SPIEGEL] Will the Soviet Union remain Cuba's best friend?

[Aldana] There is an alliance rather than a friendship between Moscow and Havana. Therefore, the economic problems of the Soviet Union can also be felt in Cuba. We expect great difficulties. We have to tighten our belts, above all in the social sector. To prevent a deterioration of the food supplies, we will not be able to build hospitals, schools, or kindergartens in the next few weeks.

[DER SPIEGEL] How will Cuba overcome its economic problems?

[Aldana] Although the people want to eat better and more, which is their right, there has not yet been any unrest—although we were really sloppy in the field of supplies.

[DER SPIEGEL] Is the insufficient socialist system not to blame for the supply crisis after all?

[Aldana] Of course, incompetence and inefficiency also exist in our country. Yet our system provides for 10 million people, despite the continued U.S. blockade. Induced by the Soviet leadership, we simply incurred too many debts in the eighties. This was our Brezhnev era and we have to pay for it now. Nevertheless the people support us.

[DER SPIEGEL] What changes do you want to resolve at the fourth party congress next spring?

[Aldana] The people should have a greater say and assume more responsibility. They must get more power. The state administration and the enterprises must be under the leadership of the people, even the apparatus has to subordinate itself to the people. However, there will not be more parties.

[DER SPIEGEL] That is, no opposition either?

[Aldana] The power opposing us is the United States, which makes life difficult for us with acts of sabotage, raids, assassination attempts, and economic blackmail. Our opposition is in Florida, not in Cuba.

Whoever thinks of opposition, sympathizes with the United States. We know that the United States—if they could do what they want to do—would prefer to quickly deal us a hard blow. As long as the strongest power in the world struggles with brutish force against Cuba, the Communist Party of Cuba must remain in power.

[DER SPIEGEL] Now tourism, Cuba's new industry of the future, is to help you out of the desperate situation.

[Aldana] We did not want this kind of tourism. It brings a lot of dirt to our country. However, in our desperate search for dollars we simply had to decide in favor of it. The tourists have what the people do not have; this is the moral price that we have to pay for their foreign exchange.

[DER SPIEGEL] Would the introduction of the market economy not improve the situation considerably?

[Aldana] We are poor, but proud. Turning back will not be possible. The market economy and the multiparty system were once the United States' basis of power—before the Cuban Revolution. Our system can work, it

only has to be perfected. And without the revolution, the people would not be so happy, so healthy, and so educated as they are today.

Future TV, Radio Marti Jamming Plans Announced

FL1009125990 Havana Radio Rebelde Network in Spanish 1055 GMT 10 Sep 90

[Report by Josefa Busi on "Haciendo Radio" program; italicized passages are recorded]

[Text] On 8 September, Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces, awarded the Lazaro Pena Medal, First Class, to outstanding workers who helped reject the enemy's tele-aggressive broadcasts.

Other PCC leaders awarded the Labor Feat, Production and Defense Combatant, and Distinguished Workers in Defense Preparation Medals to more than 300 civilian and military comrades who were outstanding in this work. Diplomas were also given to a collective of workers as a well-earned incentive for the work done in response to the enemy's tele-aggression.

The remarks closing the ceremony were made by Carlos Aldana, member of the Secretariat of the PCC Central Committee. In his speech, the party leader gave a historical background of U.S. radio aggression against Cuba. Later, Aldana said that the illegal nature of this action was internationally acknowledged. He then stated Cuba's position.

[Aldana] *Imperialist reports and decisions do not change the fact that the last word on the anti-Cuban television station does not come from Washington; it comes from here in our territory. It is openly made on all airwaves and by our people, who are firm in their willingness to remain faithful, above all, to themselves, their history, traditions, ideology, and destiny.*

In addition, Aldana also stressed the unanimous will of the engineers and experts to thwart the aggression and preserve the sovereignty of the fatherland and the circumstances under which they work to attain success.

[Aldana] *The merit of our technicians is that they very quickly determined the enemy's intentions, and the calculations they made were so precise they almost coincided with those made by U.S. engineers. Our country had never before faced this kind of challenge. It was a matter of talent against talent with the Cuban engineers being the victors.*

Regarding investments, Aldana said that the costs were minimal.

[Aldana] *Costs were always under discussion. The enemy speculated on sums of money and tons of oil, but it never estimated to what point their sophisticated technology and numerous financial resources would be defeated by [words indistinct]. Regarding investments, we estimated our costs in an approximate ratio of one to one thousand. For each $1 million spent by the United States, we invested $1,000. Much work was done recovering [words indistinct] equipment, others were designed for several purposes, and the costs for the project and salaries were minimal. Not a single comrade earned one centavo more for a certain project. Not one of them billed for an extra hour of work and not a single one of the monopolized an idea.*

From the first moments, (?the efforts) were conducted as a campaign. Now that we are familiar with all the parameters of the enemy's operations, we have decided to gradually shift to an automated regime, which makes maintenance, energy, and operation costs very significant. When this work is complete, a dozen men will operate the entire system. Only two men will be responsible for maintenance, and the energy costs will be no greater than the energy consumed by a home.

[Words indistinct] three pesos a day of electricity will be enough to jam the enemy signal.

He also said that the anti-Cuban radio signal is 90 percent jammed, and it will soon be jammed completely.

In conclusion, Aldana congratulated the civilian and military engineers, technicians, and workers who are involved in this effort. He also acknowledged the discreet, but valuable, help of the people of Havana, Pinar del Rio, and Matanzas.

He later said that our country receives signals from more than 100 radio stations throughout the world, and Cuba has never and will never act against those stations that operate legally.

Aldana then congratulated all the award winners.

Havana Province Applies 'Urgent' Energy Measures

FL1009113990 Havana Tele Rebelde Network in Spanish 1100 GMT 10 Sep 90

[Text] Urgent energy conservation measures are being applied in Havana Province. A news team has toured the area to observe these measures.

Havana consumes 11.4 percent of the nation's electricity. There are a considerable number of industries here, such as cement factories, agroindustrial centers, hydraulic complexes, and enterprises with high-energy demands. More than 73 percent of the energy in the province is consumed by the state sector which makes it important to be efficient in each economic unit.

For instance, the (Sicmo) furniture enterprise applied measures for the more efficient use of electricity and fuel. Its strategy includes coordinating production in such a way that high-voltage equipment is used in short cycles and still maintains productivity. To reduce the consumption of fuel, workers' transportation and product distribution routes were reorganized.

When the informational note was released on measures restricting the use of energy, the people of Havana responded with a gradual reduction of energy consumption.

Further Electricity Reduction Measures Announced

FL1109023090 Havana Television Service in Spanish 0000 GMT 11 Sep 90

[Text] In a new call for energy conservation, the National Electrical Union has issued the new measures agreed on to achieve the proposed 10-percent reduction in consumption in the state and residential sectors. As has been stated previously, average monthly consumption will be determined by taking the first half of this year as the standard. In October, each bill will show real consumption in kilowatt-hours and the individual limit per consumer in accordance with the estimated 10 percent.

A list will be made of the consumers who exceed this limit, and they will be visited with the results of the September billing to clarify their situation. This visit will be made in October to recover this excess consumption. The cuts will then begin in cases of repeat offenders with substantial excesses.

As a mandatory step, inspectors will discuss this with the consumers before applying any measures. An inspector will take an exact measure of the limit established for the consumer and will determine if a new limit is necessary, depending on fully justified unforeseeable circumstances.

In the state sector, the peak demand of the 3,386 largest consumers will be monitored. The load distribution plans will be readjusted, and agreements will be reached to reduce consumption without affecting the levels of the given activity. The same measures as for the residential sector will be applied to the rest of the state consumers under 50,000 kilowatts to achieve a 10-percent reduction in consumption.

Culture Minister Hart Remarks on Trip to Chile

FL1009132090 Havana Radio Rebelde Network in Spanish 1120 GMT 10 Sep 90

[From the "Haciendo Radio" program]

[Text] The warm welcome the Cuban delegation received from the Chilean authorities and people was stressed by Culture Minister Armando Hart, who, along with Education Minister Jose Ramon Fernandez, represented the Cuban people at the funeral ceremony for former Chilean President Salvador Allende.

Hart made these remarks upon his return from this South American country where the Cuban delegation fulfilled an extensive agenda which included a visit to the Palacio de la Moneda and the Victoria community. They also attended a ceremony expressing solidarity with Cuba.

Hart said that possibilities exist for the renewal of cultural exchanges between Cuba and Chile. He also mentioned the interest of Chilean intellectuals in learning more about the island. When this happens, he said, we will see just how off the mark the propaganda is that alleges Cuba's isolation.

Joint Commission Meeting in Windhoek Announced

FL1009143490 Havana Tele Rebelde Network in Spanish 1350 GMT 10 Sep 90

[Text] Representatives from Angola, Cuba, Namibia, and South Africa will meet this weekend in Windhoek for the ninth regular meeting of the joint commission on southwest Africa.

The TIMES OF NAMIBIA newspaper stresses that the Thursday and Friday sessions of the joint commission will take place just a few days after the Government of Angola and the UNITA [National Union for the Total Independence of Angola] opposition group hold their third round of talks. The report also mentions that Havana and Luanda have fulfilled the withdrawal of Cuban internationalist troops from Angola.

Sources in Windhoek say that the joint commission delegations will begin arriving tomorrow.

Delegation Arrives in Namibia for Cooperation Talk

FL1009115090 Havana Tele Rebelde Network in Spanish 1100 GMT 10 Sep 90

[Text] It was reported today in Windhoek that Cuba and Namibia are currently negotiating their first cooperation agreement at the government level. Noemi Benitez de Mendoza, vice president of the State Committee for Economic Cooperation, is in the Namibian capital to sign the first bilateral protocol in the health sector.

In this regard, it was reported that the first group of Cuban doctors and nurses would arrive in Namibia in the next few hours to work in Windhoek and (Osakati) hospitals. The arrival of the health personnel is in response to a request made to our Commander in Chief Fidel Castro by Namibian President Sam Nujoma and it opens possibilities for bilateral scientific-technical cooperation, which has been practiced in the education sector long before Namibia's independence.

Chinese Justice Minister Holds Talks in Havana

FL1009182590 Havana Tele Rebelde Network in Spanish 1700 GMT 10 Sep 90

[Text] Cuban and Chinese Justice Ministers today met in Havana. Cuban Justice Minister Carlos Amat Fores received his Chinese counterpart, Cai Cheng, who is presiding over the delegation from the PRC, which includes China's ambassador to Cuba, Chen Jiuchang.

The Chinese minister expressed his satisfaction with his visit to Cuba during which he has been able to observe

the friendship between the two countries and the people's great work in the construction of socialism under the guidance of the Communist Party of Cuba.

The Chinese delegation this week will visit areas of economic and social interest, the headquarters of the Supreme People's Tribunal, and the Attorney General's Office.

Cai Cheng attended the Eight UN Conference on Crime Prevention and Rehabilitation, where he said that his country firmly supports that international project.

Inter-Caribbean Affairs

Trinidad To 'Minimize' Oil Prices to Caricom

FL1009124590 Bridgetown CANA in English 2029 GMT 8 Sep 90

[Report by Linda Hutchinson]

[Text] Port of Spain, Trinidad, Sept 8, CANA—Trinidad and Tobago's minister of external affairs and international trade, Dr. Sahadeo Basdeo, said on Saturday that his country is prepared to "minimize" oil prices to Caribbean Community (Caricom) member countries. He told CANA: "As a government, we have not worked out the matter as it relates to Caricom countries but as soon as we get a submission from the Grenada Government, we will consider it to minimize the increasing oil prices.

"We will look at the Grenada situation and to that effect, we will look at it from a regional standpoint."

Grenada's Finance Minister George Brizan held discussions with Dr. Basdeo and Trinidad's minister of industry, Dr. Bhoe Tewarie, seeking relief from high oil prices for his country. Trinidad and Tobago requested a submission from Brizan on how the increased oil prices would undermine the economy.

"We're waiting for the submissions from Mr. Brizan before we can do anything," Dr. Basdeo said.

"We plan to look at the submission and then approach the petroleum producers here to assist in a short-term and long-term plan for Caricom countries.

"A dislocation in the economy of the region in increasing oil prices, is a reciprocal disclocation in the region and will undermine what we all set out and hope to achieve."

Prime Minister A.N.R. Robinson also told CANA on Saturday that his government was willing to assist Caricom countries, hit by rising prices since Iraq's invasion of Kuwait that triggered shortages.

"Only recently Caricom countries came willingly to our assistance and in that spirit, we will likewise do what we can to assist them.

"In that particular issue, we hope Caricom countries would get some relief shortly," he remarked.

Unleaded gas is sold in Grenada at EC 8.46 dollars, an increase of 57 cents, while high grade gasoline moved from EC 7.61 dollars to EC 8.19 dollars (one East Carib dollar = 37 U.S. cents).

Antigua and Barbuda

Commissioner Alleges Bird Handicapping Inquiry

FL1009134590 Bridgetown CANA in English 1602 GMT 9 Sep 90

[Text] St. John's, Antigua, Sept 9, CANA—The sole commissioner probing the trans-shipment of arms from Israel through Antigua and Barbuda to Colombian drug smugglers last year, has criticised a former government minister for refusing to hand over his passport as requested by the commission. Commissioner Louis Blom-Cooper said that former Public Works Minister Vere Bird Jr., who has been named in the arms scandal had refused to adhere to the request of the commission to hand over his passport for examination.

"He (Bird Jr.) was also deliberately handicapping the commission by with-holding his passport," said Blom-Cooper, a British lawyer.

The commissioner said that he had sent Bird Jr. a letter requesting that he hand over his passport and notes and memorandum relating to anyone implicated in the scandal. During the cross-examination of Bird Jr., it was discovered from his passport that he had visited Paris in October, 1988.

Bird said that he met with Frenchman Patrick de Nedde, who jumped bail here two years and denied allegations that he met with Israeli businessman Maurice Safarti, a former melon farmer here also linked to the arms scandal.

"If he had delivered the passport as I had asked for.... We would have done some checking to see if Mr. Safarti was in Paris on that day. We would have gone to see Mr. de Nedde, who, for the first time I was told, met with Mr. Bird in Paris," Blom-Cooper said.

"Never did Mr. Bird say he was in Paris on October 13 and he never gave his passport until he went into the witness box," the commissioner added.

"It is almost inevitable that your client has not been cooperating with the commission," Blom-Cooper said to Dr. Fenton Ramsahoye, one of Bird's lawyers.

Blom-Cooper also clarified his position regarding a statement submitted to the commission by Bird's legal team from a U.S. document expert, who said that the signature on the end users certificate was a virtual forgery.

"All I'm going to say is, the fact that I have come to a conclusion that the signature on the end user's certificate was a simulated one, doesn't conclude the matter by any means," Blom-Cooper explained.

He said he was obliged to address the issue on Friday after he was informed that a television report on the matter had given rise to public concern.

Dominican Republic

President Balaguer Averts 72-Hour General Strike

FL1009174290 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 10 Sep 90

["Today's Topic" commentary: "The Cancellation of the Strike]

[Text] After very intense, but always cordial and open negotiations, trade unions and community groups that had planned a three-day strike, which was to begin today, fortunately arrived at an agreement with the Dominican Government that will implement a number of very socially fair actions for middle and lower-income sectors.

There is no doubt that this is a triumph for the trade unions and especially for President Balaguer, who constantly presided over talks that led to the agreements.

All public sectors throughout the country clearly rejected the call for a 72-hour general strike. Nevertheless, the group of people's organizations insisted on the strike.

President Balaguer, taking advantage of his great sense of reality, his persuasive powers, and his firmness, was able to get the group to state its demands in an open, cordial, public, verbal, and contradictory dialogue. The dialogue was productive, not just because of the opening created by President Balaguer, but also because of his willingness to compromise and his patience in listening to everyone's positions, which were often irrelevant and systematic.

President Balaguer demonstrated his fine skills as a statesmen, negotiator, leader, and mediator of public negotiations. He very patiently succeeded in convincing the strike promoters to temper their demands and face the reality of our country.

That is why today we see that the Dominican people are happy, hopeful, joyful,and certain that all of us together will fight for peace and liberty in the search for the equal and social justice that is demanded by the majority of our people.

Balaguer's great compromise is now and has always been made with those supreme justices that are our own, essential, and permanent for the common good of all citizens. We are certain of this and it is our highest aspiration.

Haiti

Groups React to CEP Stand on Election Finances

FL1009165790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 7 Sep 90

[Excerpts] With a political crisis and an electoral crisis, is the country going forward or backward? The Provisional Electoral Council [CEP] has gotten trapped by three obstacles. It is caught among a government many people accuse of not being able to play its part properly in the holding of elections; protests and accusations from the political class, which is divided on the holding of the elections; and promises that are so far only in the mouth of friendly countries that are giving money and materials for the elections.

The CEP has put out a patriotic call to the Haitian people not to rely too much on overseas help, but to roll up their sleeves, dive in united , and hold the elections.

As usual, the political class, which is divided on the CEP's position, has reacted. Some agree and some do not, even after the CEP's patriotic call. Let us listen to some reactions reported by [reporter] Valentin.

[Begin Valentin recording] A number of political parties have reacted following the CEP's appeal to the Haitians living overseas to give it some financial help with the holding of the elections.

The leader of the National Patriotic Movement of 28 November [MNP-28], Dejean Belizaire, says the Haitian government and the CEP may, under certain circumstances, call on the Haitian people to solve a national problem, but he thinks this particular call upon the Haitians abroad was not necessary because, he claims, the CEP can hold the elections in accordance with Haiti's economic means. Belizaire adds that the CEP must be realistic and stop dreaming and taking initiatives that can cause disorder. Belizaire is afraid that elections may, once again, not be held this year. [passage omitted].

Max Bourjolly, second in command of the Unified Party of Haitian Communists [PUCH], says the communists support this call the CEP has put out. He says elections are a matter that concerns the whole nation. It is normal for all Haitians to make a commitment to finance the electoral process. According to Bourjolly, the CEP's position is a patriotic position that should be approved of by all democrats in Haiti. [passage omitted].

The communist leader asks the CEP to distance itself from Mrs. Ertha Pascal Trouillot's goverment, which Bourjolly says is an illegal government. Bourjolly also denounces the plot that is being prepared to put Roger Lafontant, a former minister of Duvalier, into power.

Hubert de Ronceray, leader of Mobilization for National Development [MDN], says he is surprised to hear that the CEP is asking for money to hold the elections because there is help for that. According to De Ronceray,

the problem is not lack of money, but rather the fact that the CEP has not been afforded the control of the great amount of money that is available so that the elections can be held in the country, as was done in past years. Thus, he thinks the CEP has the means to make the electoral process proceed. [passage omitted]

Elections are an act of national sovereignty. It is up to the country and its sons to hold them. This is what National Congress of Democratic Movements [Conacom] leader, Victor Benoit declared. Benoit reminds everybody that the greatest things Haiti has accomplished, in the past, were always accomplished in unity. Thus, Conacom supports the CEP's call and thinks that the CEP must put out the same call to the political parties. [passage omitted]

The Conacom leader also announced that a committee made up of political parties that are members of the Assembly for Concerted Action has been created to collect money to help the CEP hold the elections. [passage omitted] [end recording]

UNDDDH Urges Government 'Team' To Step Down

FL1009162290 Port-au-Prince LE NOUVELLISTE in French No 33.886, 6 Sep 90 pp 1,8

[From the "Stirrings in the News" column]

[Text] According to the political party National Union for the Defense of Democracy and Human Rights [UNDDDH], the entire team must leave.

Jocelyn Beauchard's political party, UNDDDH, in a press release declares: "...The entire team has failed; the entire team must leave so power can be handed over to the president of the Court of Cassation, in conformity with the spirit and the letter of the Constitution..."

UNDDDH takes the opportunity to appeal urgently to the nation's vital forces to block the latest alternative suggested by the Unity Committee for the Respect of the Constitution..."

According to Jocelyn Beauchard's party, the team that has failed is made up of Ertha Trouillot, the "Group of Twelve", and the Committee for the Respect of the Constitution. The team has violated Article 149 of the Constitution of 1987.

Father Aristide Holds News Conference

FL1009180090 Port-au-Prince Radio Metropole in French 1600 GMT 7 Sep 90

[Italicized passages are recorded and in Creole]

[Excerpts] Father Jean Bertrand Aristide held a news conference yesterday [6 Sep] during which Titide [affectionate nickname for Aristide] denounced maneuvers aimed at breaking up the Provisional Electoral Council [CEP] and the State Council. Here is [reporter] Marcus Plaisimond's report.

[Plaisimond] [Passage omitted] He made strong statements regarding the second anniversary of the Saint Jean Bosco [Church] massacre, insecurity, and the nation's political situation.

Paying homage to all those who have fallen over the past four years, particularly journalists, the head of the popular church declares he harbors no hatred against the perpetrators, much less against those who issued the orders. He even admitted that two of the members of the Armed Forces [FADH] who entered his room after the massacre acted decently toward him: former Colonel Leonce Qualo and Major Renaud Simbert, now deceased. This does not, however, absolve the FADH of the acts for which they are directly or indirectly responsible, added Aristide.

Speaking on the elections, Father Aristide denounced ongoing maneuvers aimed at sacking two institutions and holding elections similar to those of 17 January 1988.

[Aristide] *The forces of evil, and Ertha, who is wearing a red dress, and not a white one like she is in the habit of claiming, are like a "chanpwel" group [secret voodoo society that engages in criminal acts].* [passage omitted]

I say these people are like a vile "chanpwel" group in the sense that they have stolen, plundered, and committed so many crimes.... [changes thought] The way I see it, Ertha is heading this group, wearing her red dress. They are going to try to do away with the current CEP and ignore the State Council, and hold elections without the CEP and without the State Council, sort of saying to the people: Come and get it. You do not want it? Well, then leave it! And if the population should snarl, what they [the forces of evil] might try to do is to replace Ertha with someone else; maybe someone the population does not want, such as the president of the Court of Cassation. [passage omitted]

Regarding the rally held by the National Alliance for Democracy and Progress [ANDP] in Saint-Marc, Father Aristide noted that extreme poverty and hunger have led people to think that elections will be held with dollars. Nevertheless, there is something positive, for the population did not go along with it.

The big political parties are not great in size, as President Trouillot claims. Rather, they are big in the sense that they are in the pay of U.S. imperialism.

Father Aristide also expressed his opinion on the initiative launched by the Unity Committee for the Respect of the Constitution.

[Aristide] *The organization that launched the alternative has made an effort, a very good effort. I think that if they continue along that same line, and manage to trigger a popular mobilization that takes up the alternative as its own and does not allow anyone to give it an alternative in which it did not participate, we will then be able to detour off the path of death known as elections by appointment. We will be able to divert the plan for elections held by means of dollars, as is being done, and this will lead to a*

different alternative, an alternative in which the population will feel it has participated. And, I would say, this is what is going to provoke a change in "Loaded Donkey" [Bourik Chaje, a nickname for U.S. Ambassador Alvin Adams]. At that point, Adams will be obliged to negotiate, just as he negotiated in connection with the population's mobilization against Avril.

For example, as far as the masses are concerned, the Constitution can be summed up by Article 291, which says that there must be no Macoutes in the game. As soon as the Haitian people overrun the government apparatus, the necessary cleanup will automatically take place; and from then on, you will see that the Constitution will be strictly adhered to by the population.

In my opinion, it is the Macoutes who are preventing the Constitution from being applied. If the Haitian people overrun the government apparatus, they will make them [not further identified] respect Article 291, and respect for the rest of the articles will follow little by little. [passage omitted]

You can see, however, that the moment the Haitian people get behind the steering wheel, there will immediately be a cleanup.

Aristide says the nation is currently in a situation more serious than that of 1987, especially because there are not many candidates willing to join the sector that acknowledges that Ertha Pascal Trouillot cannot go on being chief of state. The existing division gives the Macoute sector greater force, says Father Aristide.

Aristide also discussed the CEP's meeting with the Army and the arrests made by the police within the framework of the climate of insecurity.

As far as I am concerned, the fact that the Haitian Army is allowing zenglendos to go around killing people means that the Army is in complicity with them. Because the Army allows section chiefs to repress the peasants, I consider the Army responsible for the repression. As long as this continues, all promises of security are worth nothing, worth zero. I am convinced of this. If the Army wanted to prevent the insecurity and the killings, it would have. There might be a sector of the Army that would like to. [passage omitted] *However, I also know that, basically, the Haitian Army is the "Loaded Donkey's" flunky. It is the U.S. Government's flunky. It takes orders from them. I mean, little bosses are the flunkies of big bosses, and big bosses are the flunkies of big imperialists. The current agenda is also the agenda of the U.S. imperialists. I mean: Let the zenglendos sow fear and cause insecurity to prevent the Haitian people from holding free and democratic elections. They do not want there to be such elections. That is the agenda that the Haitian Army is to carry out, now.* [passage omitted] [end recording] [passage omitted]

Trinidad and Tobago

Robinson To Resume Prime Ministerial Duties

FL1009131590 Bridgetown CANA in English 1513 GMT 9 Sep 90

[Text] Port of Spain, Trinidad, Sept 9, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson will resume official duties Monday after a month of recuperating from a gun shot wound which he sustained during the July 27 coup attempt of the Jamaat-al-Muslimeen.

"I'm feeling much better now and on Monday I will resume duties at my office but just for a few hours," he told CANA on Saturday.

"I will increase the hours at the office as time progresses."

Robinson said that Acting Prime Minister Winston Dookeran handled the job very well and he felt "proud" to have a person of his calibre in government.

"Mr. Dookeran has been doing most of the (prime minister's) functions and only on certain sensitive issues, I would give some advice but he has handled things very well," said Robinson.

He said one of the "sensitive" issues he is to raise with Cabinet when he resumes duties is the high cost of oil to Caribbean Community (Caricom) countries. Robinson said this oil producing country would consider some kind of price relief to its Caricom partners whose economies could be undermined by increased prices resulting from the Persian Gulf crisis.

"That particular issue, I feel should be addressed so that our Caricom neighbours could get some relief," he said.

Robinson has been off his job officially since August 1, and Planning and Mobilisation Minister Dookeran was named acting prime minister. During his recuperation, he spent five days in the sister Isle Tobago, where he was born, and later spent a week in Barbados on the invitation of governor general, Dame Nita Barrow. Robinson has not taken up a similiar invitation issued by Venezuela's president, Carlos Andres Perez for a rest period in the South American country.

Robinson and other parliamentarians, were held hostage by the Muslimeen in the Parliament chamber. He was released four days later after almost being blinded by glaucoma and suffering from the gun shot wound to his right leg sustained when he refused to order the police to back off. The Muslimeen released all the hostages on August 1 and then surrendered unconditionally to the combined Army and police force.

Minister Announces No Fuel Price Increase

FL1009143590 Bridgetown CANA in English 1711 GMT 9 Sep 90

[Text] Port of Spain, Trinidad, Sept 9, CANA—Trinidad and Tobago's Finance Minister Selby Wilson has said that the country will not increase fuel prices as a result of the crisis in the Persian Gulf. Selby told the SUNDAY EXPRESS newspaper that the government would not follow Caribbean countries in increasing fuel prices saying, "that is not necessarily a possibility." He said that importers might decide to pass on the increase in the prices of some oil-based products imported from Venezuela. The price of petroleum products is governed by the Petroleum Production Levy and Subsidy Act.

Wilson was quoted as saying also that there had not been a "windfall" to the twin-island oil producing Republic resulting from the Persian Gulf crisis that has pushed up world oil prices. Industry officials quoted by the newspaper said that for every one U.S. dollar increase in the price per barrel of oil, the government would receive a TT 60 million dollar (one TT dollar = 23.5 U.S. cents) increase in revenue for the year.

"For the rest of the year, the most the country can hope for is an additional TT 150 million dollars," Hayden Toney, a senior official in the Ministry of Energy said. "That's certainly not a windfall," he added.

"... We can expect a positive impact on government revenues, but the exact figure is anybody's guess," Toney said.

The price of Trinidad crude oil is linked to Venezuelan Bachaquero crude, which is currently being sold at between U.S. 18 to U.S. 19 dollars per barrel.

Government Seeks Financing for 3 Energy Projects

FL1009150590 Bridgetown CANA in English 2221 GMT 9 Sep 90

[Text] Port of Spain, Trinidad, Sept 9, CANA - The Trinidad and Tobago Government is to begin negotiations with the Inter-American Development Bank (IDB) at the end of the month for a U.S. 366 million dollar loan to finance three energy projects, Acting Prime Minister Winston Dookeran announced.

He said the entire project would cost 409 million dollars and the government hoped to get additional funding from the Japan Export/Import Bank, the European Investment Bank, and local banking institutions and two oil companies Trintoc [Trinidad and Tobago Oil Company] and Trintopec [Trinidad and Tobago Petroleum Company].

The projects will include the modernisation of the Trintoc Point-a-Pierre refinery, Trintoc heavy oil project, and Trinmar's [expansion unknown] water flood project.

"This a very important development in the long term future of the country and it represents a major investment in the energy sector that will provide us with additional crude supplies and additional refining capacity," said Dookeran.

He said the Trintoc refinery capacity would increase from the current 100,000 barrels per day to 160,000 barrels per day. That project is to start as soon as negotiations are finalised.

The completed projects, he said were expected to yield an overall economic return of 33 per cent to the economy and over a 15 year period should net a further one billion U.S. dollars in foreign exchange. In the short term, it should provide employment opportunities and assist in creating a modern oil industry that is internationally competitive.

El Salvador

Government, Parties Analyze Peace Negotiations

PA1009203990 Mexico City NOTIMEX in Spanish 0302 GMT 9 Sep 90

[Text] Mexico City, 9 Sep (NOTIMEX)—Representatives of the government and of nine Salvadoran political parties are analyzing here the development of the peace negotiations between the guerrillas and the Salvadoran government.

The multiparty meeting, which began on 8 September in Mexico City, will discuss the human rights agreement between the government and the Farabundo Marti National Liberation Front (FMLN).

The government and the FMLN have met in Mexico, Venezuela, and Costa Rica, where they have held negotiations to achieve a solution to the war in El Salvador that has taken the lives of some 72,000 persons over the ten years of fighting.

The meeting between the government and the multiparty group will also discuss the advances made in reforming the electoral law, as well as the demilitarization of Salvadoran society.

The FMLN delegation is represented by Commander Jorge Shafik Handal and includes Commander Roberto Roca (Francisco Jovel), as well as Salvador Samayoa, Nidia Diaz, and Roberto Canas, of the rebel political and diplomatic commission.

The multiparty delegation is made up of the ruling ARENA [Nationalist Republican Alliance] and is led by San Salvador City Mayor Armando Calderon Sol and Presidential Adviser Francisco Guerrero.

Representatives of the Christian Democratic Party, the National Conciliation Movement, the Social Christian Peoples Movement, the Social Democratic Party, the Nationalist Movement, the Christian Action Party, and the National Democratic Union are also attending the Mexico City meeting.

The plenary meeting between the FMLN, the government, and the political parties will conclude tomorrow. The rebels will meet with each one of the party representatives this afternoon.

The Salvadoran government and the FMLN began peace negotiations in Geneva on 4 April. They have met in Oaxtepec, Mexico and in San Jose, Costa Rica, where they discussed an eight-point agenda for the pacification of the country.

The peace negotiations have been conducted with the mediation of UN Representative Alvaro De Soto. The conversations have not made progress, however, because the FMLN is proposing the purge of the Armed Forces in exchange for demobilization.

The FMLN is demanding an end to military impunity and punishment for the violators of human rights; it is also demanding a clarification of the murder of San Salvador Archbishop Oscar Arnulfo Romero and of the attack against the trade union leaders in 1989.

The rebels are also demanding a clarification of the murders of the six Jesuit priests and two women on 16 November 1989 and of the murder in Guatemala of Salvador Social Democratic leader Hector Oqueli Colindres.

Official Views FMLN Plan for 'Offensive'

PA1009224590 San Salvador DIARIO LATINO in Spanish 7 Sep 90 p 6

[Text] As Deputy Public Security Minister Colonel Inocente Orlando Montano reported today on documents that were seized by the Armed Forces, he denounced the plans of the Farabundo Marti National Liberation Front [FMLN] to undermine the nation's stability.

The military official said: "These documents reveal the FMLN's real strategy, in spite of the dialogue, because they have failed in the armed conflict." Col. Montano then added: "All Salvadorans will know about their plans sooner or later." Col. Montano said that the plans were confiscated from a Colombian named Carlos "Latino," a member of the high command who "managed the propaganda machine through Radio Venceremos and that the plans belonged to the FMLN."

Col. Montano added that the Army has studied and analyzed the documents in order to foil the diabolical plan aimed at seeking the nation's destruction. Montano also said that this plan is an "offensive" with a limited scope, but it does include labor, student, and governmental sectors. The deputy minister concluded: "There are more details, but according to what I have heard, they are quite serious. We have already begun a plan of action, however, which I cannot disclose."

FMLN Claims Army Casualties Reach 4,062

PA1109041790 Madrid EFE in Spanish 0133 GMT 11 Sep 90

[Text] San Salvador, 10 Sep (EFE)—The Farabundo Marti National Liberation Front (FMLN) today claimed that it inflicted 4,062 casualties on the Army, counting dead or wounded, in fighting from January to August. Radio "Farabundo Marti," one of the guerrilla's clandestine stations, stated that 55 officers and 52 soldiers were taken as "prisoners of war," and handed over to humanitarian groups. The same source stated that the FMLN guerrillas downed eight helicopters and damaged 51 during that same period.

The report notes that the FMLN blew up 979 electricity structures and recovered 236 weapons over the past eight months. Sabotage over the past ten years against the electricity network has caused losses estimated at over

$150 million, according official sources. During the first week of this month alone, the FMLN inflicted 118 casualties on the Army, including dead or wounded, in fighting waged in different areas of the country, according to the clandestine radio station.

In recent days, the rebels carried out eight ambushes, inflicting 43 casualties on the Army, the Farabundo Marti radio station reported. The military press has admitted that six soldiers were killed and noted that one rebel woman was wounded in fighting in a town located in central San Vicente Department. Meanwhile, delegations of the right-wing government and the Marxist FMLN will return on 13 September to the negotiating table in Costa Rica to try to put an end, through political means, to the war that has been raging for more than ten years.

Armed Forces Reportedly Conducting Purge

PA1109030990 San Salvador EL MUNDO in Spanish 8 Sep 90 p 1

[Text] Coprefa [Armed Forces Press Committee] announced this morning that new instructions from the Joint Chiefs of Staff of the Salvadoran Armed Forces have entered into force to regulate the functions of the Armed Forces, as well as the other services of paramilitary units known as the Civil Defense. Department and local commanders will be tasked with purging members of the Civil Defense units. The functions to be performed by the purged Civil Defense units involve recruiting for compulsory military service, which will no longer be selective, but universal.

Coprefa spokesmen explained that recruitment for compulsory military service is constitutional. Beginning this month, it will no longer be selective, but will include all Salvadorans 18 to 30 years of age. Sources have indicated that the new instructions stress that no class distinctions are to be made in military recruitment. In complying with these orders, local commanders or chiefs of Civil Defense units must abide by and enforce Article 215 of the Constitution, which states: "Military service is compulsory for all Salvadorans...." The instructions also demand compliance with Article Seven of the military school regulations, which state that recruitment must be for all and not for just a few. In addition, the aforementioned orders establish norms of respect and good treatment for recruits.

The orders for Civil Defense units state that department and local commanders will conduct a review and purge of paramilitary groups. They will remove those whose conduct is improper. They must thoroughly study application requests to join such groups, and turn down those who may be involved in criminal activities, etc. To conclude, it was stated that Civil Defense units will conduct their recruitment activities from 0600 to 1800 every day during pre-established periods.

Nicaragua

Cuban Envoy: Bilateral Relations 'Remain Good'

PA1009232690 Managua BARRICADA in Spanish 3 Sep 90 pp 1, 4

[Report by Maria Alicia Talavera]

[Text] Cuban Ambassador to Managua Fernando Ravelo has stated that diplomatic relations between Cuba and Nicaragua "remain good." The diplomat made this statement within the framework of growing rumors that the government of Violeta Barrios is under pressure to break with the island country.

Nicaraguan Foreign Minister Enrique Dreyfus has not appointed an ambassador to Havana. Cuba has said, however, that it is well disposed to cooperate with Nicaragua to the extent that its economic situation will allow.

A delegation of experts from Cuba's Scientific and Technological Cooperation Commission is in Managua "to make adjustments to a Cuban cooperation program for the last quarter of 1990 and to work on a draft agreement for 1991."

Roberto Rivas, director of the America Department of the Cuban State Committee for Economic Cooperation, heads the Cuban team of experts "taking note of the Nicaraguan Government's requests for cooperation."

Ravelo recalled that following the emergency situation along the Atlantic coastal region caused by flooding, Cuba sent a medical brigade and more than 12 tons of medical supplies to Nicaragua. "We hope to be able to send doctors to that region—Esteli, Boaco, Chontales, Rivas, etc.," the diplomat said.

A preparatory meeting for the installation of the Mixed Commission, which in January will draft the cooperation plan for 1991, is scheduled in November. Cooperation in such fields as medicine and energy, among others that are of interest to Nicaragua will be emphasized.

The diplomat said that Cuba, whose support in the sugar industry has been fundamental in recent years, and Nicaragua "have already signed sugar protocols for 1990 and 1991." This guarantees that Nicaragua will have the material and be able to provide the maintenance that the sugar industry and the sugar mills require.

Cuba provides parts for the mills, the equipment, and the machinery, as well as technicians to maintain those assets.

When asked about Cuban-Nicaraguan diplomatic relations, Ravelo said: "They remain good." The relations are wonderful. The ambassador said: "I very much respect and have excellent relations with Foreign Minister Enrique Dreyfus and the Nicaraguan Foreign Ministry staff, and with the government as a whole.

"We communicate well and understand each other in all fields of mutual interest."

He said: Within the framework of mutual respect and not interfering in the internal affairs of other countries, "I feel that these relations will continue and be fruitful for the two countries."

Although no official Chamorro government delegation has visited Cuba, the ambassador noted: "I hope that there will be a government visit to improve cooperation, as well as bilateral relations."

Ravelo said that the presence in Managua last week of a self-styled "Democratic Party of Cuba," which announced that it is promoting a military uprising, "represents an effort to damage good official relations [between Cuba and Nicaragua], goes against international laws, and opens the possibility of attacks on peaceful coexistence."

The diplomat believes that such a group, which claims to be headquartered in Venezuela, "may leave the wrong impression" of Nicaraguan generosity and hospitality.

Ortega on Country's Situation, Concerted Effort

PA1109025190 Managua BARRICADA in Spanish 8 Sep 90 pp 1, 5

[Report by Sylvia Torres]

[Text] Mexico City—Commander Daniel Ortega, coordinator of the Executive Commission of the Sandinist National Liberation Front's National Directorate, said in Mexico City yesterday that Nicaragua is on the verge of widespread social turmoil because the government insists on applying an IMF-inspired economic model without considering the costs of such action.

During a stopover on his tour of several European nations, the ex-president was applauded at length at the old San Ildefonso Preparatory School, where he spoke at a meeting of Latin American intellectuals commemorating the 30th anniversary of the Center for Latin American Studies of the National Autonomous University of Mexico.

Clodomiro Almeyda, Chilean ex-foreign minister, and renowned Latin American intellectuals, such as Luis Suarez, and Alin Framberg, among others, also participated in the meeting.

Regarding the world economic crisis and the need for a new international order, Commander Ortega said that the developed North continues to impose its rules on the southern countries and this makes it more difficult for these countries to assert themselves and solve their urgent problems.

Ortega emphasized the need to reestablish a South-South dialogue to create unity among the less developed countries. He said that the people, through their methods and efforts, should replace the backward national structures and that only through significant changes can the urgent problems in the Third World be resolved.

With Mexican and foreign reporters present, Ortega answered questions on the concerted effort [la concertacion] that the government is encouraging in Nicaragua. He also said this concerted effort will be different from the social pacts of other countries.

Sandinist Commander Warns of Renewal of War

PA1109015490 Madrid EFE in Spanish 2138 GMT 9 Sep 90

[Text] Managua, 9 Sep (EFE)—Sandinist Commander Henry Ruiz today warned: "There is a great possibility that we will have war again in Nicaragua," as a consequence of the severe economic crisis that faces the nation.

Ruiz, former Nicaraguan minister of foreign cooperation, said that war could break out again due to unemployment, the polarization of society, and the presence of arms among the civilian population. The former minister made these statements during a meeting in Managua by union leaders affiliated with the Sandinist Central Organization of Workers (CST).

Ruiz, a member of the National Directorate of the opposition Sandinist National Liberation Front, talked about the danger of another war in Nicaragua and explained why his party is in favor of the concerted national effort, which the government called for this month.

"We are going to join the concerted national effort because we believe that the country must be stabilized, and the concerted effort is one of the means of achieving this goal," the Sandinist commander said.

Nicaragua's eight-year war, which left 50,000 victims, concluded in June with the total disarmament and demobilization of the "contras," who were armed and financed by the United States to topple the Sandinist regime.

Government To Aid Dismissed State Employees

PA0809152990 Managua Radio Corporacion in Spanish 2313 GMT 7 Sep 90

[Text] Nicaraguan Minister of Presidency Antonio Lacayo has said that the officials and employees of the various state institutions, who will be fired because of the drastic reduction in the government's bureaucratic personnel, will receive emergency assistance until they can find a new job. He added that President Violeta Barrios de Chamorro is preparing an emergency plan for several thousand gold cordobas to meet this situation.

Lacayo also said that a reduction in the number of state employees is necessary to cut public expenditures, which

are creating a great imbalance in the nation's economy. Officials and employees will be assisted for a certain period of time, during which they are expected to seek and find a job in fields other than the public sector. Lacayo also said that emergency programs will be drafted to aid those who will be laid off. The reduction of the government's bureaucratic apparatus, handed down to this government by the Somoza regime, includes more than 18,000 people in Managua alone, sources confirmed.

Commissions for 'Poor's Defense' Created

PA0809161790 Managua BARRICADA in Spanish 7 Sep 90 p 4

[Text] "Social upheaval may occur if revengeful policies continue to prevail on the part of government officials and deputies who, in one way or another, are attempting to snatch people's homes, lots, and cooperative lands away from them," warned community movement leader Omar Cabezas Lacayo yesterday.

Cabezas named Evenor Diaz, the INRA [National Institute for Agrarian Reform] delegate in Region 1, as an example of that irresponsible government policy. Diaz made peasants fight over lands that are legitimately owned by farming cooperatives, with the end result that one person was killed and six wounded in El Tamarindo, Palacaguina.

Cabezas said that "similar actions are being fostered in Managua, Leon, Masaya, Chinandega, and other departments by government officials such as Arnoldo Aleman Lacayo, who are fanning the fire by threatening to take away the homes and lots of over 70,000 people throughout the country."

Cabezas' remarks came when he announced that Commissions for the Poor's Defense have already been formed in Managua, Leon, Chinandega, Masaya, and Granada, in addition to 70 similar committees in an equal number of Managua neighborhoods, "where there is a shortage of approximately 90,000 homes, and former land and home owners are threatening to carry out mass dislodgements."

Salvador Perez, also a community movement leader, announced that these 70 commissions will hold an assembly on 23 September at the Communal House in the Nicarao neighborhood to examine the explosive situation currently prevailing in Managua because of the efforts that are being made to deprive people of their homes and lands.

"There is a tense atmosphere among the poorest people because the only things they have, their little house, their little plot of land, or their cooperative's lands, are being threatened. To threaten to abolish Laws 85 and 86 to take away people's homes and lands is like fanning a fire. The people are not going to allow their homes to be taken away, and they are saying this openly. I urge the UNO [National Opposition Union] and Sandinist National Liberation Front [FSLN] deputies not to abolish such sensitive laws," Omar Cabezas once again warned.

Cabezas said that this tense atmosphere has just been proven by the outburst of violence in El Tamarindo, where cooperative members waged a pitched battle to avoid having their lands taken away from them.

"If a situation like the one in El Tamarindo were to take place in Managua, I can assure you that the number of dead would be large, and it could lead to a serious social outbreak," Cabezas said.

He added that the abolition of Laws 85 and 86, concerning the transference of homes and lands, would be a stab in the heart of the concerted effort, which, he said, "should be implemented as soon as possible."

FNT Asks Government To Comply With Agreements

PA0809175190 Managua BARRICADA in Spanish 2 Sep 90 p 4

[Text] The National Workers Front [FNT] has demanded that the UNO [National Opposition Union] government comply with the agreements signed on 12 July. At the same time, it protested the dismissal of 10,000 workers, which it attributed to political revenge and lack of financial support for the industrial sector.

"We workers need jobs and adequate salaries to support our families," said a communique issued on 1 September by the FNT leadership, which stressed that if the government complies with the agreements, "we are willing to contribute with our efforts and sacrifice to improve our national economy within the framework of respect for our rights and achievements."

The document added that "this has been and will continue to be our negotiating position in any national dialogue, if the agreements we have signed with the government start to be respected."

The FNT added that the measures against the people and the government's noncompliance with the agreements have forced the labor movement to make use of the right to strike.

The communique said that 10,000 workers have been fired, of which some 7,000 are agricultural workers while more than 3,000 were central government employees, and it added that although the reason given for those dismissals has been the reduction of public expenses, new personnel have been hired.

The document stressed that noncompliance with the promise to reactivate construction activities has virtually paralyzed 6,000 construction workers. It also noted that the government has not kept its promise to provide $1.7 million in financial assistance to reactivate the textile industry.

Presence of U.S. Union Official in Managua Noted

PA0709151290 Managua Radio Sandino in Spanish 1200 GMT 31 Aug 90

[Text] The gringos are now trying to manipulate the concerted effort. The U.S. Embassy is pulling its strings in Nicaraguan politics regarding the concerted effort. Sources have reported that Mr. William E. Douglas, adviser to the American Institute for the Development of Free Unions, is currently in our country. This week, Mr. Douglas met with Cosep [Higher Council of Private Enterprise] President Gilberto Cuadra, as well as Upanic [Agricultural and Livestock Producers Union of Nicaragua] and Faganic [Federation Nicaraguan Cattlemen's Associations] leaders, all from the private sector. Mr. Douglas wanted, however, to get information and opinions on the concerted effort from all the economic sectors in the country, he also met, therefore, with UNAG [National Union of Farmers and Cattlemen] and ATC [Farm Workers Association] leaders. Mr. Douglas also spoke with rightist CUS [Confederation for Unity of Trade Unions] leader Jose Espinosa. U.S. Embassy Cultural Attache Robert Brown and Third Secretary (James Usuwan) accompanied Mr. Douglas during these meetings.

The U.S. Embassy wants to know what economic model is preferred by Nicaraguan union leaders. William Douglas heads the gringo government's field investigations to find out which economic model, of all the ideological spectrum, is preferred by Nicaraguan leaders.

Who is Mr. Douglas? Sources have reported that he advises a member-institute of the AFL-CIO. The AFL-CIO is a labor organization that is politically supported by the U.S. Government. The institute he represents has financed Nicaragua's CUS, headed by Jose Espinosa. What does Mr. William Douglas propose? His meetings with Nicaraguan union leaders have been held at the U.S. Embassy. During these meetings, Mr. Douglas has stated that he favors a model for Nicaragua that will further economic balance. The model should be similar to those of Sweden, the Scandinavian countries, or the FRG. Douglas has said that the U.S. model is not suitable for Nicaragua. He has also called many Nicaraguan private businessmen commercialistic and says that they do not want to be efficient, just to profit from the new government's preferential policies.

* Plight of Demobilized Contras Viewed

90CA0101B Managua BARRICADA in Spanish 23 Jul 90 pp 1, 5

[Excerpt] [passage omitted] The officers of UNAG [National Union of Farmers and Cattlemen] representing the Fifth Region, Daniel Nunez, Wilfredo Barreto, and Luis Felipe Morales, have reaffirmed their solidarity with and unconditional support for the group of demobilized peasant farmers, promising to set up projects for their development and social and economic stability.

The entourage accompanying the peasant leader featured entertainer Bianca Jagger, who saw conditions here for herself and shot film for a documentary on which she is working and which is designed to show the United States and the world that the situation in Nicaragua is much more complex and that there are no guilty parties, just victims and victimizers.

"Franklyn" said that their situation was exasperating and indicated that in Rio Blanco they are waiting for Zones for some 2,000 demobilized Contras, plus 5,000 in the Bocay district, and a similar number in other areas. So far they have gotten no response whatsoever from the government but they are confident that the minister of agricultural-livestock development, Roberto Rondon, and the director of the INRA [Nicaraguan Institute of Agrarian Reform], Gustavo Tablada, will show up today in El Almendro.

Israel Galeano added that the issue is not just to identify the lands for the "Development Zones" but also to provide loans, farm machinery, and inputs to get production under way as soon as possible in this zone, which is expected to be a livestock-raising area.

Meanwhile, the 150-man police force has begun a rigorous crime-prevention program..."We're worried that this business of the 'Development Zones' isn't being taken care of, because as long as the demobilized people are unemployed, there's more than enough reason for breaches of the peace in the town and surrounding areas," said Jose Francisco Lagos Nunez, the chief of the Interior Order Police in El Almendro.

'Zones' Awaited

"Sitting down and doing nothing," the former combatants in the Resistance comment: "We're waiting for the 'Zones,' but our hopes are fading because that woman isn't concerned." The words are those of Jose Tomas Sandoval, who is known as "Huracan" [hurricane] and who was part of the so-called Southern Front, which has gathered in the Yolaina district.

The situation is the same in this district and in nearby spots. Discontent is widespread. "We've been holding them back so that a civil war doesn't break out," he adds.

Sandoval contends that just as the president was concerned about them turning in their rifles, she should also be concerned about what she promised. "We want to avoid something ugly that is being felt around here," he added.

Agustin Granados, alias "El Conejo" [the rabbit], who was a regional commander in the Southern Front, threatened to stage a demonstration against Violeta [Chamorro]. "We need food and work tools here," he remarked.

The demobilized Contras are wandering around not knowing where to go or what to do, hungry and exposed

to the elements. Local residents harbor feelings of solidarity and help them with whatever they have on hand.

Some former Contras have moved in with families that they know, and others have built huts out of palm leaves. The great majority of the close to 300,000 demobilized Contras in El Almendro plan to return to their native regions, "but not right now, because the wounds of war are still fresh, and there is ill will and a thirst for revenge," they say.

Efforts at Reconciliation

The climate of reconciliation is impressive and obvious here, as Sandinists and demobilized Contras are making an outstanding effort to develop relations of brotherhood and camaraderie, without any incident having arisen between them. This is not the case among the UNO [National Opposition Union] people, who are engaging in violence against the peasant farmers who were resettled during the war.

Ana Luz Tablada and Luis Duarte, UNO activists in Nueva Guinea, evicted four families in the Los Santos settlement, according to Justo Perez, a leader in that community.

In El Nispero too the UNO people are issuing threats against and robbing the war-displaced of their lands. Camilo Taleno, for his part, is trying to turn some demobilized Contras against peasant farmers who identify with the Revolution.

"We're battling to improve our conditions, without revenge or ill will, even though we remember our fallen sons, because the war was too hard and has had consequences. This will help us recover. It's no longer our responsibility; it's the government's, and Violeta doesn't remember," says Mrs. Eva Benard Sequeira, the mother of a Hero and Martyr.

While the government has still not defined the "Development Zones," hunger gnaws at the former Contras. Eleuterio Mendoza says that they cannot survive on what the International Support and Verification Commission (CIAV) gives them.

"The supplies that we get a month include a pound of rice, six pounds of beans, one pound of coffee, one and a half pounds of sugar, and a liter of oil. The only clothes we have are the ones that the CIAV gave us, and we still go around in camouflage because we have nothing to wear," he indicated.

* Upanic Proposes Unemployment Program

90CA0101A Managua BARRICADA in Spanish 23 Jul 90 p 6

[Text] The executive secretary of Upanic [Agricultural and Livestock Producers Union of Nicaragua], Rosendo Diaz, has proposed combating unemployment by spurring two basic initiatives: housing construction and reforestation.

In statements to BARRICADA Rosendo Diaz maintained that the high rate of unemployment, which has been caused by the economic recession and the the demobilization of the Contras and the army, is being made much worse by the further reduction of the army, the additional firings, and the return of tens of thousands of Nicaraguans who were living abroad.

Diaz recalled that even though the government is carrying out a harsh austerity program, there is also talk of reactivating the economy. "And if we're talking about reactivation, it means that new jobs have to be created and that unemployed manpower has to be given work."

UN agencies are trying to repatriate more than 100,000 Nicaraguans from various Central American countries, and the U.S. Government wants to send back to Nicaragua as soon as possible another 30,000 to 50,000 families that are in the United States.

So far, he said, there have been United Nations aid programs to relocate repatriated individuals, which means providing them somewhere to live, but the country does not have enough housing. "Moreover, UN aid is in the form of a donation."

"But the international organization doesn't have to give donations. My proposal is that the United Nations provide financing through long-term loans, 10-year loans for example, with low interest rates of around four percent a year."

Impact on Economy

Such support could be used to spur the construction of some 30,000 "low cost" housing units of about $5,000 each. The total amount would thus be some $150 million. Then, each beneficiary family would have to pay for its house; it would not be free.

A similar agreement could be negotiated with the U.S. Government, which would grant loans for the construction of some 30,000 or 40,000 units. But these units would be for people at a higher income level and, therefore, would be more expensive, perhaps $15,000 with two or three bedrooms.

"Since most of the Nicaraguans in the United States are professionals, the condition could be set that six months into the construction of the homes each family would pay a premium; this would reduce from the outset the debt to American institutions."

The construction of some 70,000 housing units, Rosendo Diaz said, "besides absorbing unemployed manpower, which would have an immediate impact on the economy, would also spur industry, commerce, and other branches of the economy."

Another initiative to fight unemployment, the labor leader contended, would be a Reforestation Program along Nicaragua's Pacific coast, "at the level of each municipality, along streets and highways and on estates."

A reforestation program would provide jobs to thousands of unskilled individuals and would prevent workers from migrating to other areas of the country, Managua in particular.

The labor leader indicated that the Reforestation Program should focus on three basic areas: trees for firewood, fruit trees, and timber for domestic industrial use and for export.

* Commentary Views Role of Radio, Television

90CA0100D Managua LA PRENSA in Spanish 20 Jul 90 p 4

[Text] Among the lessons of the most recent strike, one deserves to be analyzed in depth. We are talking about the true importance of the mass media, radio and television in particular, in the Modern State. Owing to neglect or to the influence of the recent election campaign, these two media were predominantly regarded as propaganda vehicles. We think that this was why the Sandinists felt that they were entitled to request a spot on the government-run channel for their program "Extravision." The strike-caused crisis, however, underscored the fact that television (and radio) indeed deserve ministerial status.

On the fateful day that the strike touched government-run television, the government lost its most direct tool of communication with the people and gave the impression that it was powerless, a development that was no less dangerous merely because it was obvious.

In other words, it was when television was no longer there that the country began to realize how important it is and that its ministerial status is as necessary to the operations of government as the Ministry of the Interior or of Education, especially in light of the past decade, during which the voice and image of governments throughout the world have reached the masses instantly through the electronic media.

This means, in the first place, that radio and TV are something of much greater consequence than mere propaganda, as the Sandinists believed.

These media make up the State's ministry of communication with the people, the ministry of the great dialogue, of the ongoing dialogue between the administrators and those who demand an accounting from them, between those who have received power and those who have given it to them. Moreover, since the State also does and must teach the people about justice and democracy, one of the ways that it does so is through radio and TV, by complying with the law.

Therefore, it is unacceptable henceforth for infiltrators of any kind to try and take over or silence these media, which are the government's voice and image, just as it is unacceptable for them to take over a barracks or a ministry. The ministerial status of the media in question must be made official, not in a bid to shore up discredited statism but to acknowledge certain realities of the times. There did not used to be a Transportation Ministry because stagecoaches and carriages did not need one. Nowadays, if the State loses its voice, it could easily lose power.

The institutional reality of the government TV channel means in and of itself that "Extravision" has no right to be on the State channel. Freedom of the press does not mean, for example, that LA PRENSA is obliged to provide one page to each party or group; rather, it means that each party, group, or individual can publish whatever it or he wants or found whatever newspaper it or he would like. Likewise, freedom of the airwaves does not mean that the State channel must make room for parties, groups, or individuals that are in the opposition or hold different ideologies; rather, it means that these individuals or parties are free to establish their own channels. The Sandinists never allowed a private channel, not even during an election campaign. They haggled over the propaganda function. A democratic government permits other channels, and we know of no country that bewilders the people by giving an official voice to those who hurl cobblestones during a subversive riot.

In conclusion, just as the voice and image of the State deserve ministerial status, television requires special attention, an imaginative and creative advisory council, a budget commensurate with its importance, and support, from however many people feel capable of it, for Carlos Briceno, who has fought from his post as director under the worst of circumstances, as he and his family have felt criminal reprisals from the same people as always.

Let us move now from television as propaganda of the totalitarian Front to television as dialogue, television as education, and television as democracy during this new period in Nicaragua's history.

* Government's Education Program Defended

90CA0100C Managua LA PRENSA in Spanish 26 Jul 90 p 4

[Text] After a hurricane rips through the islands of the Caribbean, the sea remains rough for a time, and minor gusts frighten the inhabitants, who fear that winds of destruction will begin blowing furiously again. These are the so-called "wakes of the hurricane." This is similar to what is happening in our country after the hurricane of vandalism that Sandinism unleashed with its strikes and riots. Minor gusts of wind are troubling the citizenry, as "takeovers" of educational institutes in Matagalpa and La Paz Centro continue to cause damage to individuals and public property. They are like echoes of the main hurricane. These "wakes of the hurricane" obviously cause damage but are no longer as strong as the main phenomenon.

We are in complete agreement with those who feel that such incidents, while of minor consequence, must be

taken seriously and that the government must enforce discipline with a firm hand. But they should not rattle us with the mistaken belief that a new hurricane is on the way.

These are the "wakes of the hurricane"; they are evidence of its weakness and ultimate disappearance.

The takeovers of schools pose a challenge to the power of the government to impose its own educational program. It stands to reason that the government has a right to remove those teachers whose ideological or partisan track records place them in open opposition to the educational policy of the State. And if to this we add conduct that is outright rebellious and provocative, as was seen at the recently quelled Sandinist riot, this right becomes an unavoidable obligation.

Teacher tenure is not a legitimate argument, because it is superseded by the will of the people to replace a school system based on the justification of the class struggle and promoted by a Government-Party that was defeated at the ballot box, among other reasons, for the faulty way that it handled the schooling of this country's children and young people.

If such an argument were valid, elections would be unavailing, democracy would be a lie, and civic channels as an instrument of social change would be useless.

Sandinism has already fallen into clear-cut discredit. The riot that it thought would bring a revival of grassroots sympathy caused disgust among the citizenry instead. It showed that crime does not pay. The dividend that the FSLN [Sandinist National Liberation Front] obtained from the crime that it committed was further discredit, further desertions from its ranks, and ongoing internal debate that seeks to lay the blame for this mistake on certain members of the National Directorate, whose heads some are now publicly demanding.

Perhaps these were the heads that Daniel Ortega was talking about in his speech on 19 July. The appallingly poor election campaign that Bayardo Arce ran has now been compounded, to the misfortune of the losing party, by the blunder of the riot and the damage done to Managua by FSLN leaders.

We would do well to remember the words of Talleyrand: "In politics a mistake is worse than a crime."

* UNAG President on National Dialogue Issues

90CA0101C Managua BARRICADA in Spanish 23 Jul 90 p 3

[Interview with Daniel Nunez, president of the National Union of Farmers and Cattlemen, by unidentified BARRICADA reporter; place and date not given; first seven paragraphs are BARRICADA introduction]

[Text] After President Violeta Barrios announced that she was calling a broad social and economic dialogue to reach a minimum consensus in support of economic policy, several of the country's social and political sectors voiced their endorsement of the initiative.

Small and medium-sized peasant farmers and agricultural cooperatives are not shunning the project. On the contrary, they are voicing their complete willingness to take part in the effort to develop a consensus, which is supposed to bring together workers, government, employers, and producers.

They are asserting, however, that the absence of official rules for small and medium-sized farms and erroneous decisions and policies have helped to create a climate of uncertainty and confusion that has adversely affected production activities.

Their harshest criticism is directed at the absence of incentives for small and medium-sized producers and cooperatives. In addition, they have spoken out against preferential government treatment for certain segments of the peasant-farmer population.

Attempts to revive the national economy on the basis of economic ideas from the 1960's and 1970's will lead to failure, as before, they say. No one wants a country in which "the shark swallows up the sardines."

They add that it will do no good either to think up new economic ideas "from behind a desk," ideas that are out of touch with realities in the countryside and with the everyday problems that farmers confront on the job.

No National Dialogue or consensus-building can make headway under such conditions, they caution. To begin lifting up the national economy a broad agreement must first be reached among all sectors. Therefore, the most important thing is to bring reconciliation to the Nicaraguan countryside as well.

[BARRICADA] For some time now we have heard labor leaders, businessmen, merchants, and even government officials say that a broad economic and social dialogue is needed to tackle the country's problems. What do the small and medium-sized producers think about this?

[Nunez] During the previous government Daniel Ortega summoned the various sectors to a National Dialogue or consensus-building. But the war, the financial blockade, and the trade embargo, all imposed by the United States, prevented the development of an economic strategy that would get us out of the crisis that the same U.S. policy towards Nicaragua had created.

Nonetheless, we in the UNAG [National Union of Farmers and Cattlemen] feel that the conditions are right for a dialogue at present. In the first place, because the war is over, the Contras have demobilized, and the financial blockade and trade embargo were lifted by the Bush administration. Moreover, the new government has received $900 million in aid, and although this is not enough to tackle the severe problems that we face, it is a starting point for rebuilding the economy.

Our position is to support this dialogue, to contribute our experience and the input of the 125,000 small, medium, and large producers who belong to our organization and of the 3,200 cooperatives with which more than 80,000 peasant farmers are affiliated.

We think that the National Dialogue must give rise to a strategy of financial, social, and economic policies that will favor small and medium producers and the cooperatives.

Because, as we told President Violeta Barrios in an open letter, we feel that this country cannot be rebuilt with just a hundred or so producers or businessmen; rather, we producers who are on the agricultural frontier must also take part.

We are the nation's great economic reserve, since 60 percent of the land is in the hands of small and medium producers and cooperatives. And from it comes 60 percent of the cotton, coffee, and meat, and 80 percent of the basic grains that the nation consumes.

[BARRICADA] Are there are any previous experiences that can serve as reference points in formulating a new development strategy for the countryside?

[Nunez] We think so. When we talk about developing a strategy, we're not thinking about the strategies that were developed, supposedly to move the country forward, in the 1960's and 1970's, when what really happened was that the big economic sectors divided up the "lion's share."

There was a three-sided marriage here: the Church, big capital, and the Somoza government. Some got the Bank of America, others the Banco Nicaraguense; some got the Banco Inmobiliario, others the finance companies. If the Somoza people got the Banco Nacional, other shareholders grabbed the Central American Bank of Economic Integration (BICE).

The most important thing now is for the capitalists who are arriving from Miami and those who are already living in Nicaragua to repatriate their capital, because they have large amounts of dollars outside the country.

But if they come in with the same attitude and ask the bank for 100 percent financing, if the bank finances them, and if they then take the profits out of the country, then the homeland cannot be rebuilt nor can a National Dialogue be conducted. We would be in the same situation as before the Revolution: big capital, like a shark, swallowing up the sardines.

[BARRICADA] Besides economic policy, what other issue ought to be discussed at the National Dialogue?

[Nunez] We have to lay the groundwork so that in the 1990's we can move forward into the 21st century with a national development strategy and find out with what world power we are going to align to achieve our development. Whether it will be with Japan, Great Britain, the United States, the FRG, or any other. But we have to develop a strategy under which we will not remain a market colony of the United States.

If we are going to reaffirm our trade relations with the United States, the trade model that it has imposed on us since last century has to change.

We cannot continue selling our coffee, cotton, sugar, cacao, and meat at absurdly low prices, while neither small and medium producers nor the cooperatives can afford inputs and agricultural chemicals. A country cannot develop that way.

In the final accounting, I think that that the U.S. Embassy should also sit down at this National Dialogue so that it can convey to its government what the new thinking really is of the small, medium, and large businessmen of a country in which there was a Revolution.

[BARRICADA] The new authorities created a great deal of expectation at the outset of their term about a substantial improvement in agricultural production. How does UNAG view the current farm season?

[Nunez] The situation is a difficult one. The cooperative members and the small and medium growers of corn, beans, and rice on unirrigated land are planting on their own, inasmuch as the financing policies, especially the "gold cordoba," suffer from the academic mind-set of INCAE [Central American Institute of Business Administration]. In a word, this is an unrealistic economic policy.

I should quote Francisco Rosales here: this is an "unborn" economic policy, because it was not born of the realities of the countryside, of the producers, of the people who really hold this country's development in their hands. And this has created suspicion and mistrust.

We can see this in three basic production lines:

In livestock, the minister of agriculture himself, Roberto Rondon, knows that there aren't enough steers, as raw material, to export meat, because we've been consuming the breeding animals, and the indiscriminate rustling of livestock, which was taken to Honduras and Costa Rica, has hurt the growth of the herd. But we don't see any strategy from the new government to encourage breeding, which is really the key to livestock development.

In coffee-growing, we can see the reels and blight making headway, but we don't see a strategy that will tell us what the economic policy for coffee is going to be. And we know that the big potential for coffee is from northern Boaca to the Honduras border, where the highlands rise to 2,500 meters above sea level and could produce as much as four million quintals of coffee a year.

And then there is cotton, which has always been the crop that has benefited the most from economic policy. This year a fuel-price cut was offered to cotton growers to lower production costs, a real policy of favoritism. And even though the government said that it was going to

plant 100,000 manzanas (70,000 hectares) of cotton, it hasn't even gotten to 42,000 hectares. It's blaming the strike, but it lasted just eight days! The strike has nothing to do with an entire crop year.

[BARRICADA] So what is the underlying problem?

[Nunez] That economic policy is being run by the book. The book is important, of course; it's a guide, but economics books can't solve production problems from behind a desk!

This is an approach that we have criticized in the past. We even forced the previous government to allow the rank-and-file organizations (ATC [Association of Agricultural Workers], CST [Sandinist Workers Federation], UNAG) to sit on the National Planning Council, where we often refuted and fought the economic policies of the National Bank, Agrarian Reform, the Domestic Trade Ministry, and other institutions.

It is one thing to set production costs from a desk, and another quite different thing to familiarize oneself with these costs out in the field, which is the best school for any economic theoretician.

So, we see the 1990-91 crop year as bleak, above all because the new government has lost touch with reality and has sought to establish policy from behind a desk, without realizing that unless the working class, UNAG, and its cooperatives are involved, the country is going to develop as it did along the Pacific, in several big sectors.

I don't think that we can even consider the possibility that economic policies and thinking from the 1960's and 1970's are going to move us ahead now.

[BARRICADA] What are the biggest problems of the agricultural sector right now?

[Nunez] That no economic policy has been set for basic grains, vegetables, or perishable items, and much less have they set a policy for livestock, coffee, meat, or cotton, which are the four major pillars on which the national economy rests.

I was speaking with Minister Rondon and brought up these problems. I warned him that if the ministry set policy unilaterally, it was going to get bogged down. Yet I also reminded him that ideology aside, we were willing to keep on making sacrifices and working for economic recovery.

But what's happening in the meantime? During the war UNAG lost 6,500 peasant farmers, and more than 3,000 were kidnapped. They were all victims of the Contras. And now the Contras are getting millions of dollars in the "Development Zones," while the peasant-farmer cooperatives aren't even getting loans! So how are you going to have a national consensus-building or reconciliation when you support one group and lock out another? We're going to bring this up at the National Dialogue.

[Box, p 3]

The Four Peasant Farmer Demands

The vice president of the Federation of Agricultural and Livestock Cooperatives, Sinforiano Caceres, has summed up the proposals that will be brought to the table of the National Dialogue:

1. Set preferential financing policies for domestically consumed crops.

The structures of economic agents are too fragile to withstand the impact of austerity measures. Preferential policies would prevent the collapse of small and medium-sized peasant farms and the ensuing major shortfalls in food production.

2. Intensify the Agrarian Reform.

There are still 40,000 landless peasant-farmer families that are demanding an immediate solution to their problem. Guarantees for cooperative ownership must be established, just as other sectors demand respect for private property.

3. Support the cooperatives that were hurt by the war.

Some 750 cooperatives were hurt by the war, and the peasant farmers who belong to them lost 20,000 head of livestock. They are thus in arrears to banks and are asking to have their bank debts rescheduled. Specific programs to reactivate coffee growing and livestock raising are another demand.

4. Spur a Special Program to develop the peasant-farmer cooperative movement.

In September the creation of a National Fund for Cooperative Development was approved. It called for financial support of $10 million a year for a period of 10 years, a total of $100 million. This initiative was included in the Cooperatives Law, which was enacted last April. The cooperative members are demanding that the law be implemented.

* UNAG Seeks Relief for Poor Coffee Harvest

90CA0100E Managua BARRICADA in Spanish 27 Jul 90 p 2

[Text] The National Union of Farmers and Cattlemen (UNAG) has warned publicly about the situation of coffee growers in the Third and Fourth Regions, where a harsh winter has ruined at least 60 percent of their crop this season. UNAG has also said that the government ought to reschedule the debts of growers in these two regions from short to long term at a six percent interest rate with a two year grace period.

In addition, thousands of UNAG coffee growers proposed to the government through their representatives to the National Coffee Commission that 100 percent of the adjustment for the resale of the 89-90 crop be paid at the

prevailing exchange rate on the parallel market to all growers who delivered 100 or less quintals of coffee.

In the case of growers who delivered more than 100 quintals of coffee, the proposal is that 50 percent of the total adjustment due them be deposited as savings certificates in "gold cordobas," with the guarantee that they will maintain a one-to-one parity with the dollar.

Also under the UNAG proposal 25 percent would be assigned to the payment of debts for land preparation and payroll, while the remaining 25 percent would be paid in cash to the coffee growers at the prevailing rate on the parallel foreign-exchange market at the time of the resale. UNAG affiliates account for 47 percent of national coffee production.

In the judgment of the organization of small and medium-sized growers, the policy for the development of coffee growing cannot be arbitrary; rather, it must be one of consensus, and therefore the views of the National Coffee Commission must be listened to and taken into account in formulating economic and financial policies that affect thousands of individual or organized growers.

Coffee Should Not Be Neglected

The UNAG says that it fully understands the government's current policy in favor of cotton, which is essentially a cover for favoritism to concentrate wealth in enterprises that are linked to it. "But coffee should in no way be neglected, because it is the largest source of liquid foreign exchange for the country," it adds.

Voicing a dramatic appeal to the Ministry of Construction and Transportation to take immediate action on the upkeep of coffee routes, the organization acknowledged that in spite of the imposed war the previous government made sure that roads were available, even if on a minimal basis in some cases.

The current condition of main and feeder roads is deplorable, however; vehicles thus wear out more quickly, and the movement of individuals and products is impeded, to the detriment of the next harvest.

* INRA, Unions Discuss Land Reform

90CA0100B Managua LA PRENSA in Spanish 28 Jul 90 p 2

[Roger Suarez M. article]

[Text] A fruitful meeting was held yesterday between the new authorities of the National Institute of Agrarian Reform (INRA) and representatives of union federations of varying ideological persuasions at the institute's offices.

The director of the INRA, Gustavo Tablada, informed the labor leaders of the CAUS [Federation of Trade Union Action and Unity], CTN [Nicaraguan Workers Federation], CUS [Confederation for Trade Union Unity], ATC [Association of Agricultural Workers], CGT [General Confederation of Labor], and members of UNAG [National Union of Farmers and Cattlemen] about the institute's new administrative structure, which seeks to bring about the true democratization of the peasant-farmer sector, a democratization that is predicated on the ownership of land.

Tablada said that the institute under his direction would see to it that peasant farmers are not just producers but social beings as well who need comprehensive solutions to their problems in the areas of health care, education, housing, financing, etc.

Speaking a mature language of reconciliation, Tablada invited the audience to work together in attaining the INRA's goals for the well-being of Nicaragua's peasant farmers.

He said that the institute's doors remained open to further such meetings at which labor leaders and peasant farmers can bring up shortcomings and seek appropriate solutions.

Antonio Jarquin, from the CTN, called for the formation of a commission made up of labor leaders and peasant farmers to support the work of the INRA. Tablada replied that ways of implementing Jarquin's idea would be looked into.

Alejandro Solorzano, from the CGT, asked what sort of physical condition the new authorities had found the INRA in; Tablada's reply was that a few desks and chairs were found in offices.

During the era of Sandinism there was a good fleet of automotive vehicles, but after they handed over power, the vehicles disappeared as if by magic. The director of the INRA currently has to drive a borrowed car.

Estimates are that four million manzanas could be in the hands of the Agrarian Reform, but the fact is that there are no accurate records or reliable information as to the location of these lands. The INRA has thus had to go around looking for pockets of lands all over the country to take care of immediate problems.

Without taking a partisan stand, Tablada criticized those who are instigating land takeovers in various spots around the country.

Julio Cesar Munoz of the Association of Coffee Workers said that the purpose of the land takeovers led by the ATC was not to retain ownership but rather to pressure the owners into negotiating and discussing the views of the workers.

Salvador Ramirez from the ATC said that it was decrees 10-90 and 11-90 that created uncertainty in the countryside and thus prompted the takeovers of lands.

Ramirez added that the ATC said that it disagreed with the idea that the Agrarian Reform ought to be spurred on

with the lands of the APP [People's Ownership Sector]. Ramirez also requested lands for former Sandinist combatants.

So far, however, the INRA has not received requests for lands from former Sandinist combatants, INRA authorities asserted.

Responding to the concerns expressed by the audience, Tablada said that the INRA is not evicting cooperative members from their lands. "Let us know right away about the first stirring of an eviction," said the INRA director.

* Sergio Ramirez on Strikes, Future Conflict

90CA0100F Bogota SEMANA in Spanish
7 Aug 90 pp 60, 61

[Interview with former Vice President Sergio Ramirez by unidentified SEMANA reporter in Bogota; date not given; first paragraph is SEMANA introduction]

[Excerpts] Sergio Ramirez, the vice president of Nicaragua during Daniel Ortega's last term, was in Bogota last week on an invitation from RTI to sign a contract for a TV production of his novel "Castigo divino" [Divine Punishment]. SEMANA interviewed him on his current activities and on the destiny of Sandinism in Nicaragua. [passage omitted]

[SEMANA] Many felt that you Sandinists were not prepared to take up the role of an opposition party and that the defeat left you bewildered.

[Ramirez] I think that because the Sandinist Front is a party that came to power not through elections but through a popular uprising, governing to make sweeping changes in the country's economic and social structures, it is not prepared to become an opposition party when it loses an election. This has to do with attitude, because politically speaking we were never convinced that the people had anointed us as the sole party, even before all of the single-party systems in Eastern Europe began collapsing.

[SEMANA] But many of the measures that Sandinism took, and some social accomplishments, do seem like those of a party that regards itself as anointed by the people, and therefore they may be undone.

[Ramirez] All of this has to be viewed in perspective. A revolutionary party that brought violence to the country's social and economic structure by making sweeping changes and, at the same time, by consolidating a democratic system, was necessarily headed towards a contradiction. But we have proven that we were strong enough to remain valid within this democratic system with a party that had every chance of returning to power through elections. I think that this is the Sandinist revolution's big contribution to Latin America.

We lost the election with 41 percent of the vote, in some regions as much as 45 percent. There are, of course, some accomplishments that a rightist government could put in jeopardy. But the real correlation of forces in society is a factor. If the people who voted for us are the most aware segment, the best organized segment of society, they can fight for their rights better. The UNO [National Opposition Union] vote was a circumstantial vote that does not make its presence felt in the streets. What this means is that the social correlation can work to defend these accomplishments.

[SEMANA] Was this correlation put to the test during the recent general strike?

[Ramirez] I think that in a way it was. The thing is that the strike was pursuing a wide variety of very different goals. The strike was staged by the unions, not by the Sandinist Front. We got involved later, more to moderate the political effects of the strike and to seek a negotiated settlement. But what the government had done was to aim at a series of changes in the social correlation, for example, giving land back to its former owners, and then clashing with [this correlation], which forced us to sit down and negotiate.

[SEMANA] So the strike did have a political motivation.

[Ramirez] The strike took on political features at a given point; that was inevitable. But if it had been political, the government would have fallen. If we had wanted, we could have caused the chaos to continue for another 10 or 15 days, without drinking water or electricity, with streets and airports closed. No government can hold up under that. And that was the situation that we wanted to point out, so to speak, so that there would be a negotiated settlement of the strike.

[SEMANA] But if the UNO vote does not take to the streets, as you say, who were the armed civilians who took to the streets to defend the government?

[Ramirez] The armed people who took to the streets did not do so on behalf of Mrs. Chamorro; they did so on behalf of the group that supports Vice President Virgilio Godoy, who has accused Mrs. Chamorro of being soft on the Sandinist Front. They took to the streets to impose their position. Therein lay the danger of an armed confrontation, not with the government, which has the Armed Forces on its side, and they played the role of mediators.

[SEMANA] And how much real danger of such a confrontation is there?

[Ramirez] I don't want to be a prophet of doom, but the radical group that is behind Godoy refuses to acknowledge that the country's stability depends precisely on a coming together of the Sandinist Front and Mrs. Chamorro's government, with the Armed Forces as an institution in the middle. This is what is going to enable the country to stabilize during these critical years. But Godoy's radicals believe that the country is going to achieve stability when the last Sandinist is gone, whether by death or by exile. This ignores the reality of the

correlation of forces. But I'm convinced that the overwhelming majority of the country does not want this sort of violent solution. Everyone has sad memories of the war.

[SEMANA] Moving on to another topic, one of the criticisms of Sandinist officials is that they kept the mansions of some old members of the Somoza bourgeoisie and now that they are not in government they refuse to give them back. What about this?

[Ramirez] When we left government, we did pass a law in the National Assembly granting title, through purchases from the national financial system, on credit, to the homes in which government officials have lived over the past few years. We saw this as perfectly normal, because it showed that none of the Sandinist officials had gotten rich in government over the past 10 years.

Many of these homes belonged to former officials of the Somoza regime and were confiscated by the revolution, thus becoming State property. The new government has now passed laws allowing those people to return and demand not only their homes but all their assets as well. And this decree is pending implementation: the return of estates, factories, homes, etc. There is going to be another major national debate when the former officials of the Somoza regime or of the National Guard arrive from the United States or wherever, as they are already doing, to demand their homes, their businesses, their interests. We'll see whether the government dares to open up this debate by giving things back to these people who are marked as members of the Somoza regime. It would not be very sensible. Enormous opposition would be created in the country. But even though there are more than 2,000 requests, we are challenging the decree before the Supreme Court.

Panama

Linares Addresses Foreign Ministry Protestors

PA0809024990 Panama City Circuito RPC Television in Spanish 2320 GMT 7 Sep 90

[Text] Members of the so-called Sovereignty Rescue Committee [Comite Pro-Rescate de la Soberania], which is headed by Isabel de Corro, picketed outside the Foreign Ministry to commemorate the 13th anniversary of the signing of the Torrijos-Carter treaty. The demonstrators shouted slogans against the government and against Foreign Minister Julio Linares, who walked over to the demonstrators.

[Begin recording] [Linares] What we are seeing here shows that there are people who prefer confrontation to dialogue. If we really want the best for our country, we should use dialogue to gather the momentum needed for Panama to come out ahead in all the things you have said here. Compared to Panama, the United States is a giant, and we Panamanians must stand together. Historically speaking, never has a split people managed to affirm its sovereignty or reaffirm its independence. If we want to reaffirm our sovereingty and independence, we must begin thinking of our fatherland.

[Corro] Mr. Linares, what is important.... [changes thought] All of us here believe in our fatherland.

[Linares] I was speaking in general terms and not of anyone in particular.

[Corro] The fatherland is made up of all the people, but what I want to ask you as a government member, particularly as our representative abroad and before the United Nations and other places, is....

[Linares, interrupting] I allowed you to speak [words indistinct].

[Corro] I want to clarify a very important point: for you to be able to hold a dialogue and reach an understanding with the people, you must seek compensation for the invasion.

[Linares] We are headed in that direction. [end recording]

The foreign minister said that there were people in our country who were the first to hand over the dignity of Panamanians by offering the United States perpetual rights to intervene. These people now want to appear as false patriots.

[Begin Linares recording] The effects and aftermath of an invasion—unfortunately, we did experience an invasion, although it was for a different purpose than the invasion of Kuwait—cannot be erased in one or two days, as one would like. I know that many people are brandishing the flag against the military bases, so that they can criticize the government even more. I assure you that Endara.... [changes thought] as long as I am foreign minster, no military base treaties will be signed. I am sure that no one here has more of a nationalistic record than I do. First, you are all too young, and second, no one can point a finger at me. [crowd chants] I was trying to ask: What did these people have to say when Noriega was here and when Torrijos signed a yielding [entreguista] treaty? These people are being led by those who want no dialogue. [end recording]

Prosecutor General on Need for Justice Measures

PA1009184790 Panama City CRITICA LIBRE in Spanish 9 Sep 90 pp 40, 24

[Report by Justino Gonzalez Jr.]

[Text] Prosecutor General Rogelio Cruz has reproached Planning Minister Guillermo Ford for not including programs dealing with the administration of justice in the "guidelines for economic development and modernization."

The prosecutor general expressed his uneasiness in a letter addressed to Minister Ford. In the letter, he

acknowledged receipt of the important document, recently approved by the Council of Ministers.

"Convinced that development cannot take place without the expeditious, fair, and efficient administration of justice," Cruz expressed surprise because the document did not include any guidelines on justice.

Cruz pointed out to Ford that the administration of justice does not only depend on the Prosecutor General's Office and the judicial branch but also on other agencies and organizations, which must also have guidelines.

The Prosecutor General's Office proposed to the Foreign Ministry to establish a human rights policy that includes international legislation.

In addition, according to a bulletin of the information office of the Prosecutor General's Office, ex-Intel [National Institute of Telecommunications] and Public Force officials have been accused of crimes against the international community and tapping telephone lines, the latter being a practice of the previous regime to filter the phone calls of the opposition.

IRHE Announces Suspension of Power Rationing

PA1009155590 Panama City CRITICA LIBRE in Spanish 10 Sep 90 pp 1, 29

[Communique issued by the Directorate of Communication and Public Relations for the Institute of Hydraulic Resources and Electrification in Panama City on 9 September]

[Text] Following intense efforts on 9 September, unit No. 2 at the Bayano hydroelectric plant was restored, resulting in the suspension of the power rationing program.

The annoyances and criticisms expressed by the community through the media about the inevitable rationing of power, which began on 7 September, make it necessary to offer the following explanations:

To implement our maintenance program, unit No. 1 at the Bayano plant and another unit at the 9 January plant in Colon Province were shut down, resulting in a reduction of our reserve capabilities.

Rationing was carried out without proper warning, because the damage to unit No. 2 at the Bayano plant was unexpected and sudden. This reduced the plant's level of production—which is essential because of the lack of rain at the Fortuna hydroelectric plant—to zero. The lack of rain at the Fortuna plant is a problem we have faced since 16 August, although it had not affected the public.

Due to the situation described here, IRHE [Institute of Hydraulic Resources and Electrification] must resort to thermal generation; nevertheless, 62 percent of the installed thermal capacity is out of service. The units that are operating are doing so under precarious conditions, because they are old and worn out.

The above situation is the result of the absence of replacement parts and the meager progress made by the "rehabilitation program."

IRHE personnel are still attempting to finish work on the units that are undergoing maintenance so that they can be back in service early this week.

Nevertheless, because of the absence of water at the highest dam at Fortuna, rain in the area will be the leading source of power.

We remind the community that since the beginning of the year, IRHE has frequently expressed concern over the deterioration of our installations. It has warned that this situation may be repeated, especially during the 1991 dry season.

Finally, IRHE and all its employees offer their apologies for the inconveniences. They are grateful for the understanding expressed by some sectors and are urging the public to cooperate by using power wisely.

Directorate of Communication and Public Relations

9 September 1990

Police Official Accused of Comitting Torture

PA1109004490 Panama City Radio KW Continente in Spanish 1200 GMT 5 Sep 90

[Interview with Panama City Deputy Mayor Manuel Burgos by Homero Londono; place and date not given—italicized passages are recorded]

[Text] The current deputy mayor of Panama City, Manuel Burgos, has said that Renato Famiglieti, currently the deputy director of the Technical Judicial Police [PTJ], was a torturer during Manuel Noriega's government. Our news director Homero Londono has further details on this information.

[Burgos] *I was detained and held at the G-2 offices [Army Intelligence during Noriega's government]. My left hand was broken because of the beatings by the Doberman antiriot police force and G-2 members. In addition, I was tortured psychologically. Renato Famiglieti, current deputy director of the glorious PTJ, was in charge of the psychological torture.*

[Londono] *What kind of pschological torture are you referring to?*

[Burgos] *Those men were experts at that type of torture. I remember that when I arrived at the G-2 offices I was badly beaten. The members of the so-called Doberman antiriot police force treated me brutally. Before I was arrested, I really believed that the commanding officers forced the anti-riot police to beat people, but I later realized that the antiriot police did it because they enjoyed it. They beat me brutally. I was separated from the other*

apprehended people because I was labeled as a political leader. The person who came to pick me up at the S-2 [Intelligence Office] offices, where I experienced all types of injustices, like having my picture taken while naked, was Renato Famiglieti. He picked me up in a car and took me to the G-2 offices.

Once I entered the G-2 offices, I was welcomed with the typical reception ceremony. Obscenities and offenses were shouted at me. I was beaten again and otherwise humiliated. I was ordered to stand against the wall and told to keep my hands above my head. If I lowered them because I was tired, I was beaten again. Psychological torture was employed. I was threatened with electric shocks. I was ordered to undress and even had guns pointed at my head. I was threatened with a [word indistinct] and a number of other things that made me think I was going to be killed.

The last thing I remember about Renato Famiglieti, since we are discussing this now, is his sarcasm as I was being taken from the G-2 offices. I did not know where I was being taken. I was put inside a car with some G-2 members. Famiglieti asked one of the men in the car, so that I could hear him, if the thing [not further identified] had been put in the trunk. One man said yes that it had been put in the trunk. Then Famiglieti asked if the shovel and the weapon had been put in the trunk. He told the men that they knew where to take me. He told them to take me near the bridge because nobody would notice or hear anything. Famiglieti was trying to frighten me by hinting that I was going to be killed.

[Londono] *Despite all of this, you have not filed any charges against him?*

[Burgos] *Let me be honest with you. As I see the situation now, and let me use a good Panamanian saying, we should not waste one's efforts. There is no use in filing an accusation if nothing is going to be done about it. I have done that before, and nothing has happened because unfortunately and paradoxically justice does not favor those who support a legal state, but protects those who deny us the right to have a legal state.*

Burgos was asked why justice moves so slowly in Panama.

[Burgos] *In the Attorney General's Office, there are many prosecutors who were once a part of the dictatorship. I find it difficult for a prosecutor who was appointed to that position by the dictatorship to objectively accuse the man who gave him his job. I have said this publicly before. Because of this fact and to create an efficient justice system, we believe that it is necessary to thoroughly clean up the Attorney General's Office. We have spoken with the general attorney about this.*

Armed Men Spotted Near Homes of Officials

PA1009233890 Panama City EL DIARIO INDEPENDIENTE in Spanish 10 Sep 90 p 22

[Text] This newspaper has learned that three suspects armed with automatic weapons have been seen near the homes of Special Prosecutor Carlos Herrera and Second District Attorney Geomara de Jones.

According to a witness who refused to identify himself for security reasons, the armed men, who came to the area on foot, watched the garages at the homes of the two men closely, as though looking for a particular car.

Herrera is in charge of investigating the murder of Dr. Hugo Spadafora. Several members of the military have already been arrested in connection with this crime. Jones is handling the so-called case of selling citizenship, in which the sale of identification papers and passports to Chinese immigrants was uncovered; this activity yielded large profits for the criminals involved.

It has been learned that Herrera has reported the presence of the armed men to the national police and that they have pledged to protect his home.

Authorities Raid Homes of Former Soldiers

PA1109040790 Paris AFP in Spanish 2100 GMT 10 Sep 90

[Text] Panama City, 10 Sep (AFP)—The police in Chiriqui Province, which borders Costa Rica, raided 11 homes over the weekend belonging to former Army members, in search of those responsible for recent bomb attacks, judicial authorities reported today. In this area, which is 450 km from Panama City, unknown persons blew up a small electricity mini-station, hurled explosives at a private club, and set off bombs in a middle-class neighborhood.

Suspicions fall on the so-called M-20 [20 December Movement], a subversive group allegedly comprised of former followers of the Manuel Antonio Noriega regime that was toppled by U.S. troops in December. Although the authorities deny such a group exists, they did not rule out that the attacks in Chiriqui may be tied to similar previous attacks in Panama City against the home of Comptroller General Ruben Dario Carles and Finance and Treasury Minister Mario Galindo, which could have been perpetrated by that group.

The pro-government newspaper LA PRENSA stated on 9 September that the son of Legislator Gerardo Gonzalez, a member of the democratic Revolutionary Party (PRD), was arrested for being in possession of "several large caliber weapons." Pedro Miguel Gonzalez was arrested along with Argentine Carlos Lopez, who may face deportation in a few days.

Arnulfist Party Denies Making 'Political Pact'

PA1009003590 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Sep 90 pp 24, a12

[Communique issued by Arnulfist Party legislators Francisco Artola, Gustavo Guillen, Aurelio Alba, Lucas Zarak, Carlos Carrizo, Rolando Martinelli in Panama City; date not given]

[Text] The Arnulfist Party bloc in the Legislative Assembly has faced unjust and negative criticism due to the outcome of the 1 September Legislative Assembly directorate elections for the 1 September 1990 to 31 August 1991 legislative period. The Arnulfist Party bloc in the Legislative Assembly emphatically denies before God and to the entire country that it has made any political pact or agreement, with the exception of that made when the directorate that headed the assembly from 1 March to 31 August 1990 was chosen.

In that gentlemen's agreement, endorsed by the blocs of the Christian Democratic Party [PDC], the Arnulfist Party, Molirena [Nationalist Liberal Republican Movement], and the Authentic Liberal Party, and now denied by the PDC, a rotation system was discussed and accepted as the guideline for determining the ADOC [Civic Democratic Opposition Alliance] parties participation in the directorship of the Legislative Assembly during subsequent years until 1994.

The Arnulfist Party has and will continue to maintain its unyielding position against any type of dictatorship, whether a prepotent executive or any other kind.

The Arnulfist Party maintains its pure and simple support for democratic principles.

The Arnulfists and our top leader have historically been the victims of vile abuses and the worst disinformation any group has ever suffered. We are not surprised by tricks and low blows by those who want to climb over innocent victims' bodies.

The Arnulfist Party will not deviate an inch from its nationalist, democratic, and, above all, strictly Panamenist doctrine, which has kept it in its constant and permanent struggle, for the good of the people and "for a better Panama."

Sincerely yours,

H.L. [Honorable Legislator] Francisco Artola

H.L. Gustavo Guillen

H.L. Aurelio Alba

H.L. Lucas Zarak

H.L. Carlos Carrizo

H.L. Rolando Martinelli

Authentic Liberal Party Confirms ADOC 'Pact'

PA1009024590 Panama City EL PANAMA AMERICA in Spanish 7 Sep 90 p 20b

[Communique issued by the Authentic Liberal Party in Panama City on 5 September]

[Text] The bloc of legislators from the PLA [Authentic Liberal Party] hereby announces to the people its stand concerning the recent election of the Legislative Assembly Board of Directors.

1. The leadership that was elected is the result of a political pact to be implemented over five years that will provide an opportunity for all the member parties of ADOC [Civic Democratic Opposition Alliance] to occupy in an orderly and gradual manner positions on the Board of Directors.

2. The PLA bloc has never made any pact with any parties other than those comprising ADOC.

3. We are honored to have implemented this political pact in both the first period of sessions of the National Assembly, as well as the second period of sessions that has just begun.

4. Our party will continue being loyal to the pact.

PLA Legislators Dr. Arnulfo Escalona Rios, Hermann Gnaegi U., Nodier Miranda, Marco A. Ameglio, and Alberto Cigarruista

Drug Traffickers Threaten Customs Director

PA1009165590 Panama City EL SIGLO in Spanish 8 Sep 90 p 10

[Report by Yall Enrique Pitti]

[Text] A group of drug traffickers tried on 7 September to kidnap the secretary of the customs director general when she was driving along the Juan Pablo II road on her way to work.

Customs Director General Rodrigo Arosemena told EL SIGLO that at about 0800 on 7 Sepember, five individuals driving a brown car intercepted his secretary on a deserted section of the Juan Pablo II road. They entered the young woman's vehicle, threatened her, ripped off her clothes, insulted her, and took away her office ID card.

Arosemena said that in addition to mistreating his secretary, the drug traffickers took away her keys to the Customs Director's Office and instructed her to tell him: "Tell the director general we are watching him, we are following him, and the next time, we will get him."

According to the customs director, the drug traffickers tried to kidnap his secretary because his office is involved in fighting drug trafficking.

"We are investigating, but what happened will not make us lower our guard. On the contrary, this motivates us to work harder. It makes us realize that we must wage our struggle against drug trafficking, no matter what happens," Mr. Arosemena emphasized.

He ruled out that Colombian drug traffickers were involved in the attempted kidnapping of his secretary. He said that the individuals were members of Panamanian mafia groups who are very angry over the fact that customs inspectors had recently seized several drug shipments.

"I do not believe that this action against my secretary was carried out by the influential Colombian drug cartels. I believe this was done by a group of Panamanians, and I will continue to believe so until evidence proves otherwise," Arosemena added.

The customs director general said that because of the attempted kidnapping of his secretary, he and the Public Force will take measures to protect the people working in his office. He said he has requested the Presidency of the Republic to provide his office with sophisticated weapons to confront the drug traffickers, because—as everyone knows—these people "do not carry water or cap pistols," he pointed out.

Various Medellin Cartel Corporations Uncovered

PA1009224690 Panama City EL PANAMA AMERICA in Spanish 9 Sep 90 p 1

[Report by Juan Pritsiolas]

[Text] The late Medellin Cartel leader Gonzalo Rodriguez Gacha, alias "El Mexicano," established at least six Panamanian corporations during 1989, presumably to launder drug money.

In a report sent to the Panamanian Justice Department, the DEA [Drug Enforcement Administration] supplied the corporation names, thus allowing several Rodriguez Gacha bank accounts to be frozen.

According to an EL PANAMA AMERICA investigation at the Public Registry office, on 27 October 1989, a Panamanian lawyer and a woman executive appeared before the 4th Notary Public to establish the six Rodriguez Gacha corporations.

The founders of the corporations belonging to "El Mexicano," whose names we cannot publish due to Drug Trafficking Law restrictions, established the corporations to carry out various financial and investment activities.

The lawyer and the woman executive were listed as directors for the six coporations. A building on 55th Street in the Obarrio neighborhood was recorded as the legal address for these corporations.

Gonzalo Rodriguez Gacha, his son Freddy, and 15 of his bodyguards were killed on 15 December 1989 during an operation by Colombian authorities at Rodriguez Gacha's "Covenas" farm, on the Colombian Atlantic coast.

After the overthrow of General Manuel Antonio Noriega's regime, the Justice Department, using DEA-supplied information, froze 200 bank accounts containing 25 million balboas that belonged to alleged drug traffickers.

Sugar Mill's Financial Woes Involve Government

PA0909143990 Panama City LA PRENSA in Spanish 5 Sep 90 p 22a

[Report by Jose Quintero De Leon and Zoila Rodriguez Jovane]

[Text] Serious financial irregularities that have depleted the National Treasury by over 13 million balboas have been detected by auditors of the Comptroller General's Office after examining in detail the management of the Azuero Agro-industrial Corporation, Inc., better known as the Azuero Sugar Mill (Las Cabras). The irregularities involve officials of the previous regime, as well as the current administration.

The Office of the Comptroller General has, therefore, ordered the attachment of the property of the corporation, appointed evaluation experts and an administrator, and "frozen" all of the funds of Sugar and Alcohol, Inc.—the last corporation to purchase the agro-industry—to turn them over to the Office of the Comptroller General.

Deputy Comptroller Jose Santos Chen Barria, representing Comptroller General Ruben Dario Carles and accompanied by Gonzalo Menendez and Eduardo Lombana, magistrates of the Directorate for the Recovery of State Property (DRP), made the announcement.

Chen Barria said that the sugar mill began operations as a section of the La Victoria Sugar Corporation, under the management of Augusto (Onassis) Garcia Berbey with a capital of 12.3 million balboas invested by the state and a private capital of 750,000 balboas.

Between 1975 and 1976, unjustified disbursements of 3.9 million balboas were made in favor of enterprises linked to Augusto Garcia Berbey. Later, in 1977, the society was made an autonomous enterprise with mixed capital, called the Azuero Agro-Industrial Corporation. Garcia Berbey remained as manager.

By 1978, the corporation sold its assets to the Azuero Sugar Central, Inc. for 10.3 million balboas, without there being a public bid. The chairman of its Board of Directors was Garcia Berbey. It was reported that the capital of the Sugar Central amounts to 10 million balboas, but only 9.5 million balboas were accounted for, even though there are no records of any disbursements.

In October 1980, the Azuero Agro-Industrial Corporation recovered the property that was in the hands of the

Azuero Sugar Central. It was during this time, between 1978 and 1980, when the debts of the sugar mill increased from an initial 1.75 million balboas to 13.6 million balboas.

Chen Barria disclosed that during this period of time the Banco Exterior allowed credit increases without sufficient backing, inasmuch as the Azuero Sugar Central actually never became the owner of the sugar mill property. He said that two officials of the Banco Exterior were also officials of the Azuero Sugar Central, Inc.

In 1983, the amount due to the Banco Exterior was turned over to the La Victoria Sugar Corporation, but three years later, the Sugar and Alcohol, Inc. proposed buying the Azuero Sugar Mill for 3.1 million balboas, in staggered payments to be concluded by 30 October 1995.

The sale of the sugar mill's assets was transacted through a public deed dated 26 October 1986, but to this date the deed has not been registered in the Public Registrar's Office and therefore Sugar and Alcohol, Inc. has not paid the first and second payments, for a total amount of 592,500 balboas.

Meanwhile, Arnulfo Escalona, first vice president of the Legislative Assembly and a member of the Authentic Liberal Party [PLA] wing, described as "political persecution" the announcement involving his name in the sale and purchase of the las Cabras Sugar Mill.

"Just notice who is announcing this. It is not the Comptroller General," Escalona said referring to Chen Barria, who is a member of the Christian Democratic Party. The document, however, is signed by Comptroller General Ruben D. Carles of Molirena [Nationalist Liberal Republican Movement].

"What he is trying to do here is to revive cases in which my name might appear. That does not worry me, however, because I have nothing to hide, and I am determined to confront everything."

The PLA leader said that the fact the names of his relatives have been mentioned in the same case is perfectly legal, inasmuch as the participation of shareholders in a corporation is completely legal according to Panamanian law."

"Just let them try, because we can dish it out, too. They will continue to accuse us," the legislative leader warned.

Government Announces Privatization of Air Panama

PA1109042890 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Sep 90

[Text] The Panamanian Government announced today the privatization of its airline, Air Panama, as part of a plan to sell a majority of the state companies created during the military regime of the past 20 years. Jaime Correa, director of purchasing and supplies of the Finance and Treasury Ministry, told international newsmen that Panamanian businessmen and several foreign firms, including one from Taiwan, have expressed an interest in buying Air Panama.

Argentina

Cavallo on Persian Gulf Issues, Moroccan Visit

PY0709132090 Buenos Aires TELAM in Spanish 0018 GMT 7 Sep 90

[Quotation marks as published]

[Text] Buenos Aires, 6 Sep (TELAM)—Commenting on the Persian Gulf conflict, Foreign Minister Domingo Cavallo has pointed out [word indistinct] Argentina does not exert pressure on anyone domestically or abroad." Cavallo made these comments [word indistinct] to Radio Mitre from Morocco, one of the countries he is visiting on a previously planned tour.

Cavallo said that Argentina, as a member of the UN Security Council, will send professional troops to the region if the council decides to do so, thus complying with the UN determination "as we did when the council recently ordered the economic embargo on Iraq."

Asked about the situation of Argentines in the region, the minister said "everything is going well considering the conflictive situation in the region." He pointed out that many of those Argentines have arrived in Baghdad and asserted: "All Argentines have received permission to leave Iraq."

He said: "Counselor Rivarola is now in Baghdad and will leave for Kuwait to contact Argentines who are still in that country. In the next few hours our ambassador in Baghdad will receive all the data on Argentines who want to return and will take the necessary steps to arrange their trip to Buenos Aires."

Cavallo said that "there are logistic complications because of the situation in the zone, but we have been assured by the Iraqi Foreign Ministry that there will be no problem in allowing these Argentines to leave the region."

The foreign minister said: "Nobody is pressuring Argentina in terms of the Persian Gulf conflict, either at home or abroad." He added: "Argentina is adopting the position it considers most convenient to try to contribute to the preservation of world peace and to maintain good relations with all the countries of the world and [word indistinct]."

Cavallo said: "The economic sanctions on Iraq are being nearly unanimously obeyed, including by countries that initially decided not to join this kind of measure." He added: "The world has condemned Iraq's attitude in invading Kuwait."

The Foreign Ministry has reported in a communique that Cavallo has met with his Moroccan counterpart, Abdellatif Filali, with whom he discussed bilateral relations and the possibility of strengthening ties between the two countries. Tomorrow Cavallo will meet with King Hassan II, Chamber of Representatives President Ahmed Osman, and Prime Minister Azzedine Laraki.

Menem Reiterates Strict Enforcement of Decree

PY0809035090 Buenos Aires TELAM in Spanish 1903 GMT 6 Sep 90

[Excerpt] Buenos Aires, 6 Sep (TELAM)—President Carlos Menem said today that the omnibus decree issued yesterday "will be strictly implemented." He added: "To avoid any doubts and the squandering of efforts, I have decided to entrust the Economy Ministry" with everything pertaining to the streamlining of the state.

Asked whether the economic adjustment measures may cause more labor conflicts, Menem said: "We do not want any more labor conflicts, but we intend to implement these measures."

Regarding this, he said the government "has decided to make a change in the history of Argentina because our country cannot continue in the current situation with a generous state that has benefited many who are probably the ones who are complaining now."

President Menem, who made this statement at the Government House news room, also categorically denied Public Works Minister Jose Dromi's resignation. Menem also denied "groundless" rumors about "an alleged maneuver by the buyers of the Aerolinas Argentinas company to pay their obligations with the sale of some planes."

[Words indistinct] that the government's economic proposal "will not be altered at all." He added: "I have never said that salaries were just."

In this regard, he said: "I have simply upheld that in view of the terrible crisis Argentina is experiencing, there is no chance of readjusting salaries to the levels they should be because the government lacks financial and economic possibilities to do so."

After reasserting to journalists that the omnibus decree has been issued and will be strictly enforced, Menem said: "We will also continue making the proposed changes because the country cannot continue to be submerged in this chaos, which has driven us to unhappiness, stagnation, corruption, and hyperinflation." [passage omitted]

Economy Minister on Decree

PY0909000090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0005 GMT 6 Sep 90

[Text] Buenos Aires, 5 Sep (NA)—Economy Minister Erman Gonzalez said today: "Public utility rates will be frozen until the end of the year if inflation continues to drop as the government expects."

Gonzalez said: "Contract public employees who are scheduled to be dismissed as of 1 January 1991 will be paid for over a year. An indemnification will then be granted to those who are allowed to receive this benefit."

Gonzalez said that the new measures aimed at reducing expenditures "will help save some $1.5 billion per year."

He ruled out the possibility that the deterioration of enterprises' equipment can cause troubles to services because "we are restricting expenditures rather than necessary investments."

He also ruled out the possibility of power restrictions as a result of the order given to YPF (Government Oil Deposits) to rigorously charge SEGBA (Greater Buenos Aires Electrical Services) for fuel supplied to it. He said: "We have taken every precaution so that SEGBA can pay for its fuel. We have completely ruled out the possibility of implementing power restrictions during this weekend."

Gonzalez estimated that the government will issue certificates "worth $7 or $8 billion" to pay its suppliers, contractors, and legal debts.

During a news conference Gonzalez explained the objectives of the new decree on the rational use of public expenditures. Also attending the news conference were Economy Ministry Under Secretary Carlos Carballo, Finance Under Secretary Saul Bouer, Central Bank President Javier Gonzalez Fraga, and Diego Estevez, chief of the Central Bank president's advisors.

Gonzalez said: "We promised to reorganize public companies in 90 days." He added: "It would be irresponsible to think of curbing inflation and reorganizing the country's economy in the same period."

Regarding the ban on granting wage increases to compensate for previous losses in the public administration and companies, Gonzalez said: "Nominal increases cannot create inflation because what we are seeking is stability, which will be provided by the real recovery of salaries' purchasing power."

Regarding the repercussions of the new Omnibus Decree Gonzalez said: "The behavior of the exchange market shows that it was accepted by the operators regardless of what any leader could publicly say."

Regarding the Convivencia business group Gonzalez said: "In the Olivos Residence meeting with President Carlos Menem, the group supported the government plan." He added: "We are also going to study some of the comments the group made to the press."

He admitted that the new decree "concentrates in the Economy Ministry the control of financial matters as a matter of necessity." He said as an example that "public companies carry out from 60 to 70 percent of all the financial transanctions of the public sector."

Regarding when the economic reactivation will take place, Gonzalez said: "We must first achieve stability before we carry out a productive revolution."

In this regard he said: "The term 'adjustment' is partial and inadequate because what we are doing is creating the framework adequate for reactivation."

Gonzalez added: "Both the private and public sectors have the tools to create economic reactivation." He said: "With the new measures the operators will have a clear indicator of our decision to reorganize the economy."

Regarding the possibility that charges may be filed against the state because of the government decision to pay debts with bonds, and to change the labor collective agreements, Economy Ministry Under Secretary Carlos Carballo said: "The decisions are based on laws of the Supreme Court; therefore, we expect the court decisions to favor the government."

Carballo said: "The Supreme Court established that the indexation clauses that are higher than the wholesale price index plus a reasonable surcharge is considered unfair profit" in cases of suppliers' contracts and sales. Carballo made this comment to justify the change of the indexation system introduced by the decree.

Saul Bouer said that during the second quarter, the group of public companies had "a surplus of $116 million." However, he said: "This surplus figure fell in August." He added: "Our goal is to get a surplus of $110 million per month from all state companies combined."

Minister Gonzalez explained: "The participation of Maria Julia Alsogaray in the new privatizations must be decided by President Menem."

Regarding public services Gonzalez said: "Our goal is to make them more efficient." He added: "Our aim is not to restrict them but to improve them through better administration of their resources."

However, Gonzalez gave no explanation to the contradiction between that comment and the reduction of suburban railroad services on Sundays and holidays.

Regarding the criticism reportedly made by Roberto Dromi, public works and services minister, of Gonzalez and his administration which were reported by the morning daily PAGINA 12, Gonzalez said: "The minister (Dromi) and all the legislators present on that occasion denied that report in writing."

Gonzalez said: "Dromi came to my office to deny it, and Senator Liliana Gurdulich gave me a letter signed by all the legislators present in the meeting denying that report."

According to PAGINA 12 Dromi reportedly accused Gonzalez of being "nothing but a simple accountant without political vision."

The daily said it has a recording of Dromi's comments to the legislators.

Menem Visits Corrientes, Reasserts Plan

PY1009214190 Buenos Aires TELAM in Spanish 2229 GMT 9 Sep 90

[Text] Formosa and Mercedes, Corrientes, 9 Sep (TELAM)—Today President Carlos Menem said that the state "is completely broke" and "this is why we are digging deep foundations so that we can definitely change the history of our country." Menem added: "I am sure Argentina will pull through despite this difficult moment."

Menem arrived at 1030 at the Formosa airport for the closing ceremony of the 46th National Livestock, Agricultural, Farming, Industry, and Commerce Show, which is organized by the Corrientes Province Rural Association.

Menem then went to Mercedes, Corrientes at 1600 to open the 82nd National Cattle, Industry, and Commerce Show.

At the closure of the Agro-Industrial Show in Formosa, President Menem—who was the last to speak—said that freedom in the market, in commerce, and in exchange rates "is the only feasible government policy, allowing labor and production factors to show us the definite path we must take in the economic field."

Amid a large crowd that [words indistinct] in the president's four-hour visit to the province [words indistinct], Menem reasserted the economic program and noted that "we do not care about criticism, and we are not afraid of threats."

Menem added: "It is not merely the fate of one man or of a political party that is at stake here; the supreme interests of Argentina and the happiness of its people are at stake."

He said: "The time has come for Argentines to work, to suffer, and to have the courage and the guts to do our best for our children. This is the duty of the national government, which is not pondering on upcoming elections but on the fate of future Argentine generations."

In Formosa, Menem was welcomed by Formosa Governor Fernando Joga, provincial officials, rural leaders, and a large crowd gathered along the road from the local airport to the rural fair, seven km from downtown Formosa.

During a news conference at the airport, Menem denied that he has given a 60-day deadline to Economy Minister Antonio Erman Gonzalez to show the results of the economic program because, he said, the president "does not establish deadlines for anyone." Regarding the telephone workers conflict he reasserted that "no solution will be reached until the stoppage is lifted."

Regarding the Entel [National Telecommunications Enterprise] conflict Menem, who was accompanied by Felipe Sola, under secretary of agriculture, livestock and fishing, and Media Under Secretary Fernando Niembro, said: "The national government does not negotiate with strikers, and this is a firm intention that applies to all cases."

Menem stated: "Those who do not work do not get their pay checks." He added: "Political, union, and business leaders must understand that the nation belongs to everyone. The party is over for Argentina. We must work and definitely build the nation."

Menem explained that Argentina "is bankrupt. It is broke because this is how we received the country." He added: "The only possibility of pulling the country out of this difficult situation is through permanent sacrifice."

He said: "We Argentines must sacrifice ourselves once to avoid suffering for the rest of our lives. This is the government's intention. I trust that our generation, and particularly future generations, will be able to see this change that will be achieved through national unity and joint effort."

Later Menem closed the rural exhibition and at 1515 boarded the presidential plane which took him to Mercedes, Corrientes, where he arrived 37 minutes behind schedule. He was welcomed in Mercedes by Corrientes Governor Ricardo Leconte.

During the opening ceremony of the rural exhibition, Menem said: "We have implemented a program that is tantamount to blood and sweat. We implemented this program because there is no other alternative to save the nation. I know that some fellow Justicialist party members are annoyed and they criticize me. This does not matter. I have the duty of safeguarding the destiny of 30 million Argentines, and this task is beyond any selfish criticisms."

After reasserting his certainty that Argentina "will be successful despite the current difficulties," Menem said that the state "must exist for some specific duties such as education, health, and foreign relations—but nothing more, because otherwise we will again have the same fraudulent and trader state that submerged us in ruin."

Christian Democrat Party Leaves FREJUPO

PY1009230290 Buenos Aires BUENOS AIRES HERALD in English 10 Sep 90 p 7

[Text] (DYN)—The Christian Democrat Party's (DC) National Convention yesterday decided to break away from the Justicialist Popular Unity Front (FREJUPO) which swept President Carlos Menem to power in last year's elections. Last month, the Intransigent Party also withdrew from the electoral front.

The DC considered that it's role in FREJUPO was "exhausted" and described the alliance as "virtually defunct."

Nevertheless, party member and Economy Minister Antonio Erman Gonzalez will remain in the Peronist administration in order to fight from within against "the privileged sectors."

In a letter to the DC congress, Gonzalez yesterday pledged to work for "a dignified Argentina" and for the poorest sectors of society.

The Christian Democrat leaders, in turn, said FREJUPO "met its objectives only in the electoral stage and later lost effectiveness," eventually disappearing from the political scenario.

The DC voted to recover its full autonomy after a three-day debate on two proposals contemplating a split with FREJUPO. The most anti-government of the two proposals was finally ratified.

Paper Outlines Army Reorganization Plan

PY1109001090 Buenos Aires LA PRENSA in Spanish 5 Sep 90 p 4

[Text] The Army is currently making its last contributions to an ambitious plan to reorganize and optimize its operational capability within the framework of a military reorganization plan being promoted by the Defense Ministry.

The plan, designed to be fully completed by 1995, outlines a new operating system whose characteristics and scope are known by the Army and accepted by the Army leadership. The plan is based on military power being divided among six large combat units in strategic zones of the country, which can be quickly joined in combat by other quick reaction units because of the deployment capabilities of those units, and by an armored unit standing by to be transported to a combat area.

The program, which has still not been submitted to the Defense Ministry, seeks the efficient performance of troops during eventual operations in any part of the vast Argentine territory, and provides for the deployment and training of the troops in each of these large units, along with their weapons, according to the specific regions in which they will operate.

The deployment of troops to any theater of operations contemplates the participation, in the next stage, of rapid deployment units that will be stationed in the central-northern part of the country. The defense mechanism is completed with an armored cavalry unit, headquartered in Buenos Aires Province, that is capable of being quickly deployed to other regions.

The Combat Units

According to additional details obtained by this newspaper, the first of the six large combat units will be deployed in a zone near Puna for the defense of northwestern Argentina; the second will cover the zone of Mendoza Province and will be headquartered there; another will be in Neuquen to cover the Comahue zone; the fourth will be in Santa Cruz Province, in the mountains; the fifth large combat unit will be in Comodoro Rivadavia; and the last will be in Corrientes Province for the defense of the Mesopotamia Region.

The "rapid deployment" division, which is intended to fill the gap left by the latest global war doctrines in which speed in deploying to combat is essential, will use the Army garrisons in Cordoba Province that are currently being used by the 3rd Corps and 4th Airborne Infantry Brigade.

Finally, the ground force's armored unit will be concentrated in zones of Buenos Aires Province, where a strong combat unit such as the 1st Armored Cavalry Brigade is already established.

The program also states that the six large combat units, which will be ranked between the current Army corps and brigades—although it has not yet been decided whether they will be given the rank of a division—will each have a logistics "base" in accordance with the strong firepower and large number of personnel assigned to them.

The logistics bases will depend on a central base headquartered in Buenos Aires, which will coordinate all support for the combat forces.

Other Data

As has already been reported, the Army reorganization plan is supposed to be implemented by 1995. The Army believes that in 1995, the chronic reductions to the budget assigned to that institution will end.

While waiting for this change in the Armed Forces' financial situation, the ground force believes it will be possible to implement its modernization project with resources obtained from the sale of buildings and facilities that will no longer be used and of those that have already been deactivated.

It has been estimated that implementation of the reorganization program will cost more than $20 million, which could be obtained from the sale of buildings and property that currently belong to the institution.

According to what sources that were consulted have told LA PRENSA, the main problem to be faced before implementing this new operational scheme is construction of the buildings required to accommodate the assigned cadres.

Construction of a central logistics base in Villa Martelli and of another operations center in the Libertador Building, which is already becoming known as the "logistics Pentagon," would be financed by the sale of several Army properties in Buenos Aires. Construction of the "logistics Pentagon" would be considered a second stage of the previous project, and would cost a little less than $20 million. These projects are still being studied at the level of Army commanders.

LA PRENSA was also able to learn what the first steps in the reorganization process will be: Prompt sale of the grounds on which the Ciudadela barracks are built and moving the Campo de Mayo Army School to Corrientes Province where it will establish a new headquarters.

The program calls for this step to be concluded by 1993 and for most of the real estate now occupied by the Campo de Mayo garrison to be made available for sale.

In the short term, the plan also contemplates moving the Monte Caseros 4th Infantry Regiment to La Rioja Province, specifically to the premises occupied by the 15th Infantry Regiment before it was deactivated in 1963.

This proposal had apparently been made by the president in order to have a unit like the Monte Caseros unit in his home province. Army authorities, however, do not see any need for a unit of that size to be based in La Rioja because of the low crisis profile that area presents.

Menem's province presently has an Army engineers company based in the area.

Soldiers

Other data to be considered is the estimate of ground forces and the number of drafted soldiers needed to support the program that will be submitted to the Defense Ministry.

Planners understand that there is a minimum need for 25,000 draftees to make the project feasible.

Differences are large, however, if we take into account that the Army has only placed some 16,000 draftees on active duty this year, mainly because of budget restrictions.

However, planners think that by 1995, the budget will improve enough to sustain the required number of draftees.

Until then, the Army estimates that it will have to make do with the known low budgets, and that it will be forced to continue selling real estate and other goods to help pay for personnel and equipment needs.

New Communist Party Faction Created

PY1009222790 Buenos Aires CLARIN in Spanish 9 Sep 90 p 9 Political Section

[Text] A fourth faction has been created within the formerly intransigent Communist Party of Argentina (PCA). This faction has made a call to the PCA militants to avoid a "political fraud" at the 17th PCA congress that is scheduled for November.

Carlos Bruni, Ricardo Clementi, and other members released a communique in which they defend the Soviet "perestroyka" because "it breaks with authoritarianism as a political method."

The new faction includes some PCA members who were expelled during traditional internal purges. A meeting is being planned to which "the thousands of fellow comrades who have been punished or expelled from the party, together with those who remain inside the party trying to resolve our problems, have been invited."

The PCA has so far included the official faction, which controls the central committee and is led by Patricio Etchegaray, the dissident faction headed by Enrique Dratman, and the third faction led by Eduardo Sigal.

$700 Million in Credits Disbursed for Projects

PY0909232890 Buenos Aires BUENOS AIRES HERALD in English 8 Sep 90 p 5

[Text] (NA)—Negotiations with the World Bank and the Inter-American Development Bank (IDB) yesterday bore fruit with the disbursement of credits worth some 700 million dollars, the Health and Social Welfare Ministry announced yesterday.

Those loans from the World Bank and the IDB, will be used for the stimulation of employment, housing construction, environmental action and to strengthen a governmental health and social welfare programme.

Health and Social Welfare Minister Eduardo Bauza, who initiated the discussions leading to the 700 million dollar disbursement quite some months ago, is currently in the United States on an official visit.

Bauza proclaimed himself "delighted that the credits have finally been disbursed after so many delays."

He met yesterday in Washington with IDB Head Enrique Iglesias and the Vice-President of the World Bank's Latin American division Shahir Sein to analyze the mechanics of how to administer the credits.

Bauza explained that the main objectives of the loans were to fund "a housing and urban development programme, the improvement of the country's sewer system, and support for small businessmen and farms."

Nelson Mandela To Visit Country Next Year

PY1009232190 Buenos Aires TELAM in Spanish 2015 GMT 5 Sep 90

[Text] Buenos Aires, 5 Sep (TELAM)—Reporting on his recent visit to South Africa, Alberto Kohan, secretary general of the presidency, said at Government House this afternoon that African nationalist leader Nelson Mandela could visit Argentina next year.

Kohan said: "I have the impression that the obstacles for South Africa to resolve [word indistinct] its domestic problems have been overcome," and that "there are specific and very good possibilities that we can increase the commercial exchange."

Kohan went to the Government House press room to report on his trip to South Africa. He also answered questions related to the current Argentine situation.

Asked about some labor conflicts Kohan said: "If we want to have a country that can really produce and work, we have to try to understand the rules of the game of each production sector."

Concerning the conflict at Entel [National Telecommunications Enterprise], Kohan said: "The enterprise has not made an untimely decision because its attitude is absolutely in keeping with the regulations."

Kohan also referred to [words indistinct] during the luncheon yesterday that was attended by the president, businessmen, and labor union leaders of the so-called Coexistence Group [Grupo Convivencia]. He said: "It is important that people understand the policy being implemented by the government."

Kohan said: "The business and labor union sectors have decided to [word indistinct] in accordance with the economic policy and to actively participate in its implementation."

Kohan also reported that during his visit to South Africa he conveyed an Argentine Foreign Ministry invitation for black leader Nelson Mandela to visit Argentina.

Kohan said that despite the fact that Mandela was not in South Africa at that time, he contacted his closest advisers who told him that Mandela would be free to visit Argentina next year.

Kohan said that during his visit to South Africa he met with South African Foreign Affairs Minister Pik Botha, with several businessmen, and with representatives of the South African Chamber of Exporters.

Mafia Chieftain Arrested in Buenos Aires

PY0909034890 Buenos Aires DYN in Spanish 1940 GMT 8 Sep 90

[Text] Buenos Aires, 8 Sep (DYN)—The individual who has been arrested and charged with belonging to the Naples mafia has been identified as Giovanni Dipietri, a 34-year-old Italian, according to police sources. Dipietri, who was arrested at a well-known hotel in the metropolitan neighborhood of San Cristobal, is believed to be one of the top mafia chieftains, and he may be linked to a large ring of drug traffickers.

Bolivia

Escaped Drug Trafficker Recaptured, Jailed

PY0809125590 La Paz Television Boliviana Network in Spanish 0030 GMT 8 Sep 90

[Text] (Chichin)—One of the most important drug traffickers in Isinuta escaped from the San Sebastian jail in Cochabamba but has been recaptured and imprisoned in the San Pedro jail here in La Paz. His real name is (Mario Arauz Morales).

Drug trafficker (Mario Arauz Morales), also known as the king of Isinuta, was recaptured in Santa Cruz Department and taken to the San Pedro jail in La Paz. (Arauz) was recaptured after escaping from jail in Cochabamba. Prosecutor (Mario Zapag) has said that (Arauz) will have to undergo a new trial.

[Begin recording] [(Zapag)] (Arauz) was sentenced to 10 years in jail but was apparently aided in escaping from the Cochabamba jail. A new process will have to be started to comply with Law 1008 on controlled substances.

[Reporter] What are the specific charges against him?

[(Zapag)] He is charged with trafficking in cocaine. [end recording]

Central Bank Reserves, Inflation Rate Noted

PY0809220090 La Paz PRESENCIA in Spanish 30 Aug 90 p 4

[Summary] Javier Pantoja, general manager of the Bolivian Central Bank, has disclosed that on 27 August the Central Bank's free reserves amounted to $107 million, the gross reserves to $307 million, and net reserves to $90.8 million. Pantoja also said that inflation rate for the first months of this year amounted to 6.8 percent.

$136-Million Agreement Signed With FRG

PY0809220490 La Paz EL DIARIO in Spanish 31 Aug 90 p 3

[Summary] FRG Ambassador Hermann Saumweber and Bolivian Foreign Minister Carlos Iturralde have signed a $136-million cooperation agreement to finance several Bolivian development projects.

Brazil

President Collor Addresses Cabinet Meeting

PY1009203490 Rio de Janeiro Rede Globo Television in Portuguese 1310 GMT 10 Sep 90

[Speech by President Fernando Collor de Mello to the Cabinet in Brasilia—live; monitored in progress]

[Excerpts] ...the development model, in addition to being socially perverse, did not take into account the need to seek an ecological balance. The gigantic and dormant state apparatus simply handed out favors that jeopardized the development of society. Brazilians were skeptical and pessimistic about their future, and the world had little confidence in Brazil.

At the ballot box Brazilian society clearly chose the true transformation project. The bases of this project are sound because they respond to the new political awareness of the Brazilian people, who were tired of manipulation, hollow promises, and privileged sectors.

The changes we want are inspired by the turning points in Brazil's history, such as the establishment of the country's independence, which we celebrate this week. Following the example our country set in 1822, we must now be in the forefront, inspired by the principles of our times. This is what the Brazilian people demand.

Our independence brought a new relationship for Brazil and the rest of the world. Today's changes mean a new relationship between the state and society and businessmen and workers, creating new prospects for Brazil in the international arena.

We want new citizens, and this will only be possible if we cultivate the country's symbols and if we seek to restore the civic spirit. A new sign of confidence in the country's future is represented by the respect shown for our flag and the thrill one feels in singing our national anthem. I felt the emotion during the 7 September parade, where military men and civilians marched side by side in a noteworthy sign of reconciliation and faith in the country's future.

As we praise the heroes of the country and the restoration of civic virtues, we must also praise the behavior of the Armed Forces, with which we have become familiar through visits to various military units. The Armed Forces' loyalty, discipline, and enthusiastic dedication to national causes are praiseworthy attitudes that serve as a source of inspiration and deserve the respect of all Brazilian citizens.

Ministers and Secretaries, the main characteristic of our plan for a new Brazil is that it is an all-encompassing project. A political transformation was necessary to reverse institutional apathy and to give new life to the democratic consolidation process. The economic transformation was necessary to curb the financial-economic crisis and to stimulate the creation of a competitive, effective, and modern market economy. The social transformation was also necessary to meet the main needs of the people and to return our country to the world of ethically motivated societies. Another important issue was to alter the country's position in the international arena so that we could fully participate in decisions that affect our future.

The challenge was great. Society demanded urgent measures as a key requisite to building a great nation that would foster a prosperous, fair, and happy people. I am pleased to say today that the cornerstone for the changes has already been laid; we have already started to build our future. [passage omitted]

We must be fully aware that our economic plan covers two objectives: short-term actions that seek to achieve urgent goals and long-term actions that seek to thoroughly review the Brazilian way of life. The results of the short-term actions are visible; the drop in the inflation rate is real. We know what to do to definitively eradicate the problems it causes. If some sectors continue to increase prices, it is only because of a perverse combination of the obsession with inflation and the fact that there are still a few speculators. This obsession will disappear, and inflation will cease to be a daily problem. Those who trust in artificial profits obtained through speculation and not by working will be punished. They will be defeated as inflation has been defeated.

It should also be pointed out that the battle against inflation is also based on two factors: the elimination of the need to freeze prices and to hold down tariffs. In sum, we will cease to be a country of profiteers. Only those who produce efficiently, creatively, and with firm confidence in the future will benefit.

Inflation can only be curbed through a daily effort, by changing habits. Every time I urge the people to seek the lowest prices for each product, to constantly bargain, I am asking that a new relationship between consumers and merchants be established, a relationship in which merchants are loyal to consumers. This loyalty should be expressed through fair prices and profits. [passage omitted]

Austerity has turned the government into a source of inspiration for the deep-rooted changes that are necessary to modernize the country.

The radical changes in the economic policy that have allowed us to streamline our finances and have allowed the state to control fiscal and monetary policy have made it possible to restore international confidence in our country. We have now successfully laid the groundwork for negotiating with our international creditors in a rational manner.

The first phase of these negotiations is being carried out with the IMF on the basis of a negotiating capacity that is strengthened by the new economic reality. As a consequence, the results of these talks are fully consistent with our best national interests. [passage omitted]

Regarding informatics, the key to progress in modern times, we are creating the necessary conditions so that the flexibility of the market reserve may be the preliminary phase to fully eliminating it in the future.

It is currently possible to import and establish joint ventures [preceding two words in English] that will increase the concrete benefits for our industry and consumers.

The market reserve cannot be a useful tool in the economic policy, especially when it is used with oligopolist distortions, as was the case in Brazil.

If we seek competitiveness and efficiency, we must gradually expose Brazilian production to the international market. Our businessmen have already shown that they are ready for this. [passage omitted]

Ministers and secretaries, the change in Brazil's position in the international arena has been defined. The first step was to overcome Brazil's negative image in the international community. We are no longer regarded as destroyers of the environment because the government has adopted a resolute policy to preserve it and because we are one of the main supporters of proposals for a new form of international cooperation to save the planet.

Disclosures on the precarious situation of human rights in Brazil used to be accepted as charges, as threats to our sovereignty. Today, human rights are a government priority. Charges made by international organizations or sectors of Brazilian society immediately trigger orders to exemplarily investigate and clarify the incidents, establish responsibilities, and implement the tools to punish those responsible.

Today national and international societies know that Brazil is governed by alert, responsible people who are willing to mobilize the best energy of the nation to wipe out this daily scourge.

The new Brazilian situation naturally modifies the image our partners have of us. The renewed confidence in Brazil is reflected in diplomatic relations, concrete commercial agreements and investments, and political dialogue.

More attention is paid to what Brazilian authorities have to say now. The country's credibility assures our interlocutors that any promise we may make, in any field, will be honored. As a consequence, complex negotiations such as those involving the foreign debt become fluid. Our arguments are accepted because they convey a serious, consistent attitude.

Brazil's image abroad has gained strength now that our foreign policy is no longer ambiguous. Our principles today are clarity and coherence between what is said and done, clear intentions in our bilateral and multilateral relations. To our respect for international law must be added our respect for constitutional norms that call for clarity and for congressional approval in signing international commitments.

Our foreign policy is not two-faced, and it does not have concealed or bad purposes that should be eliminated and condemned if we intend to build a world in peace. There is no peace without mutual confidence. There is no peace without sincere purposes. Therefore, the effects of the national reconstruction plan establishes the necessary conditions for Brazil to fulfill an increasingly active international role. The main purpose of this role is to seek world peace. Peace is the main objective of Brazil, a country that has not harvested enemies nor dreamt about the benefits of confrontations, has not sought hegemonic roles, and has rejected destabilizing international crises.

Peace is the solid ground for cooperation between nations and governments that is absolutely necessary at a time in which interdependence is increasing.

We are currently aware that distant events may directly affect our country's economic stability. The current Persian Gulf crisis will affect international energy policy, especially the oil market. We still import approximately 50 percent of our oil needs. This compels me to once again warn everybody about the need to save energy. We must avoid any waste. A responsible citizen knows what is best for everyone and acts accordingly. As a consequence, I am certain that my request, my warning, will be honored by Brazilian citizens.

Another aspect of the Persian Gulf crisis is the safety of Brazilian citizens in risk areas. The government has acted promptly and decidedly and, through diplomatic channels, has successfully started to withdraw our bothers. At no point have we interrupted our unwavering compliance with the UN system or its resolutions.

International conflicts, especially when they represent a clear violation of peoples' rights, should be condemned so that normalcy may be restored. The strength of UN resolutions is the necessary path to secure a world that until recently promised peace and harmony based on the victory of democracy.

Brazil will inflexibly support law and order. We know of no other grounds for exchange and dialogue between nations. [passage omitted]

Contract Disagreements Delay Return of Citizens

PY1109003090 Brasilia Domestic Service in Portuguese 2200 GMT 10 Sep 90

[Report from Itamaraty by Gustavo Mariani]

[Text] According to Itamaraty, contract agreement problems are the reason for the delay in sending two FAB [Brazilian Air Force] airplanes to pick up 146 Brazilians from Iraq. Meanwhile, the Foreign Ministry has guaranteed that all of them are already free to obtain their visas.

In the opinion of Itamaraty spokesman Jose Vicente Pimentel, the disagreements between the Mendes Junior Company and the Iraqi Government on the contract agreements can be easily overcome.

[Begin Pimentel recording] These are questions of a commercial nature and concern Iraqi Government expectations that have apparently still not been met by the company.

At any rate, we believe that these problems can be overcome very quickly and that the operation mounted to remove the Brazilians has just been postponed for a while. [end recording]

Itamaraty states that out of the Brazilians who are in Iraq, 14 are from the Maxion Company, 18 from the Volkswagen Company, 90 from the (?Expresoi) Project, and 126 from the Sifao Project. The Mendes Junior Company is involved in the latter two projects, whose workers have already been informed that the granting of exit visas is a matter of days and a matter of reaching agreement between their companies and their contractors in Iraq.

Paper Reports Iraq Trying To Purchase Arms

PY1109035690 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Sep 90 p A-12

[Report by Ricardo Julio from Vale do Paraiba]

[Text] The Iraqi Government intends to buy off stocks of the ground-to-ground "Astros" rocket systems produced by Avibras Industrias Aerospaciais, with headquarters in Sao Jose dos Campos (85 km from Sao Paulo), despite the UN resolution establishing an embargo on the country. Avibras denies closing any export contract, but it is preparing to ship a cargo of rockets to some country in the Middle East.

Avibras Administrative Director Bartho Romero has been besieged with telephone calls from an Iraqi agent since the beginning of August. Iraq owes Avibras $33.5 million. The agent said Iraq would pay its debt immediately if the firm ships the rockets. The Avibras board of directors met on 29 August to discuss the matter. Last week a new telephone call, this time from Baghdad, tried to close the deal. Besides the rockets, the Iraqis also want spare parts for their 160 launching batteries attached to trucks. Iraqi batteries are immobilized because of a lack of spare parts.

The shipment of rockets for Iraq is a very risky operation, but it is not impossible. A third country such as Libya could act as go-between in the deal. Five years ago, Avibras shipped items for Iraq directly from the airport at Sao Jose dos Campos. The rockets are being taken from the containers in which they were packed and are being readied for shipment by sea. They are being placed in wooden boxes, which are more appropriate for air shipment.

Avibras is also testing and readying several "Astros" rocket systems for shipment to the Middle East. The cargo, worth some $100 million, has been stored in the firm's warehouses for over three years. Several dismissed workers were hastily called back to conduct an inspection of the missiles.

Despite all the talk, the firm denies having closed any rocket export contract. Avibras Official Relations Director Felipe Cury, 52, has said that the firm is merely "verifying the stock." According to Cury, what is happening is that there is "anticipation generated by the Gulf situation," which might create conditions for good business in the future. Avibras president Joao Verdi has been in Saudi Arabia since last week.

Verdi has been negotiating a $600 million contract for over a year. The Saudis already have some "Astros" launching batteries but they do not have the SS-40 and SS-60 rockets (with a range of 40 and 70 km respectively). Saudi Arabia is Avibras' second most important client behind Iraq.

Avibras will have rockets ready for shipment next week. The tests conducted on them were relatively simple and for that reason are called "storing tests." Basically, technicians only verify the state of the fuse and electrical components.

The signing of a good contract with Saudi Arabia could pull Avibras out of its financial crisis. The firm has been under a supervised agreement with creditors since January; it owes $200 million to banks and $8.7 million to its employees. Avibras today has merely 300 workers. In 1987 it had 6,000.

Daily Wants Clear Government Position on Iraq

PY1009183590 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 90 p 3

[From the "Notes and Information" page: "Civilization and Barbarism"]

[Text] The Iraqi Government has conditioned the granting of exit visas to 18 Brazilians who work in the Volkswagen factory in that country to the unloading in Iraqi territory of a ship loaded with spare parts for Brazilian-made Volkswagen Passat automobiles.

According to a report from William Waack, O ESTADO DE SAO PAULO correspondent in Baghdad, the feelings of the Brazilians who are forced to stay in Iraq, which is the current target of the weapons of Western powers, run from desperation to euphoria depending on their likelihood of being able to leave that country.

The employees of the Mendes Junior Construction Company received bad news this week; instead of receiving the exit visas for which they had applied, they received rationing cards.

The bargain proposed by Iraqi officials to Brazilian businessmen can be described as the most absurd form of blackmail. Dictator Saddam Husayn in his megalomaniacal dream of conquering by force an outlet for Iraqi oil in the Persian Gulf is behaving like Maurinho Branco [recently slain notorious kidnapper who was allegedly planning to kidnap the children of President Collor de Mello] and his gang of kidnappers of the Rio de Janeiro slums. Husayn is now trading human lives as if they were commercial products. The unloading of any Western product, even such simple items as Brazilian-made car spare parts in Iraqi territory, would represent a decisive point for the dictator and an important loss to the Western position in the diplomatic war that has been waging since the occupation of Kuwait.

Unfortunately, the Brazilian Government does not seem to have reached a firm conclusion on what position to take over the blackmail of a trade partner from which it has always received privileged treatment, and it is now feeling more uncomfortable every day. Brazilian diplomatic officials are showing signs of indecision over the treatment of our fellow countrymen who are in a difficult situation in a distant foreign country.

Foreign Minister Francisco Rezek is making an official four-day visit to Tokyo. He hinted at the possibility of submitting to the Iraqi pressure when he admitted that Brazilian food products may be shipped to Iraq "for humanitarian reasons."

Foreign Ministry spokesman Jose Vicente Pimentel added to Rezek's ambiguous statement by saying that Brazil will only export food after a "state of hardship" in Iraq has been declared by the same group of countries that, in the UN assembly, decided to punish Iraq by imposing an economic blockade for having invaded Kuwait.

The humanitarian decision to prevent the hunger of the people, whether out of friendship or not, can never be condemned; however, before making that decision, it will be necessary to establish the guidelines of a well-defined Brazilian policy in relation to the Persian Gulf conflict. Saddam Husayn should be prevented from using his own people [as published] as hostages in an effort to make diplomatic progress in a conflict that he initiated. The position of the Iraqi people will probably be exploited via the problems that result from the economic blockade. This move can be expected because the Iraqi dictator already demonstrated that he has no principles when he used human beings as shields in the case of the foreigners being used as unwilling guests in his ambitious ploy.

Spokesman Jose Vicente Pimentel demonstrated the ambiguity of the Brazilian policy in the face of Saddam Husayn's attempted blackmail use of our fellow countrymen as shields by saying that the Brazilians are in a better situation than other nationalities. Although that is partially true, it is also illogical because no one is living well in Iraq. They are all sitting on a barrel of gunpowder with the fuse burning, and this is no cause to celebrate.

Itamaraty must quickly realize that since the toppling of the Berlin Wall the world is no longer grouped under the two ideologies of left and right, and under the vigilance of Moscow and Washington. The alliance of George Bush and Mikhail Gorbachev against Saddam Husayn over Kuwait shows that there is a new conflict, and while telling the truth is never very original, we must say that the conflict is now between civilized people and barbarians.

The truth is that the nation demands from the Brazilian Government a clear, firm, and public position regarding the new polarization of the world. If Itamaraty wants to appear coherent with the first-world-like policy announced by President Fernando Collor de Mello in his inaugural speech, Brazil will have no other choice than to join the civilized countries in the common effort to stop the barbarism that began with the invasion of Kuwait by Iraqi forces. At the side of the United States, the Soviet Union, Japan, and Europe, Brazil cannot be an accomplice with the blackmail proposed by Saddam Husayn, and this point must be made quite clear to the nation. So far, unfortunately, Itamaraty's ambiguous position leaves Brazilians in the dark over which side Brazil supports: On the side of civilization or on the side of the barbarians.

Poll Shows 79-Percent Approval for Government

PY1009151590 Rio de Janeiro O GLOBO in Portuguese 7 Sep 90 p 3

[Summary] In a nationwide opinion poll conducted by the Brazilian Public Opinion and Statistics Institute from 17 to 30 August, 79 percent of the Brazilian population approved of the Collor de Mello government, saying it was excellent (eight percent), good (27 percent), or fair (44 percent). Of those polled, 65 percent of the people who voted for Luis Inacio da Silva in the run-off registered their approval for the Collor de Mello government.

Asked about the country's situation, 51 percent replied that it had improved since Collor de Mello assumed power; 28 percent believed that it was the same as before; and 19 percent characterized the situation as worse than it was before Collor de Mello came to power.

Central Bank Removes Money From Circulation

PY1109031090 Brasilia Domestic Service in Portuguese 2200 GMT 10 Sep 90

[Report by Sonia Silgueiras]

[Text] The Central Bank has removed 60 billion cruzeiros from circulation. This removal is the result of new calculations on legal reserves, and will help curb inflation.

The new calculations on the legal reserves that banks are forced to deposit at the Central Bank include, as of today, payment orders, tax collections, credit orders, and even administrative checks. Formerly, the legal reserves just included demand deposits. As a result, nearly 60 billion cruzeiros will be removed from circulation.

Next week, the Central Bank will remove more money from circulation with the sale of privatization certificates, by collecting money with the sale of [word indistinct], and with an end to financing negative bank positions in new cruzados. The latter will be a powerful tool for controlling the amount of money in circulation, a tool that the Central Bank will use to curb inflation.

The reduction of monetary supply will immediately yield a well-known result: Interest rates will go up and, therefore, issuing special checks or buying on credit will be more expensive for consumers because the monetary

supply shortage affects banks and financial companies that operate with credit cards.

IBAMA, Environmental Groups Sign Agreement

PY1109011890 Brasilia Domestic Service in Portuguese 2200 GMT 10 Sep 90

[Report from Sao Paulo by Regina Martins]

[Text] IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources] and the environmental secretariats of Sao Paulo, Rio de Janeiro, Espirito Santo, Parana, and Santa Catarina States have signed an agreement to preserve the Atlantic Forest and the Serra do Mar. This program will be funded by the World Bank and the Federal Government.

The agreement signed today is part of the first stage of the National Environmental Program [Programa Nacional do Meio Ambiente]. This program is financially supported by the World Bank, with $117 million, and by the Federal Government, with $49.4 million.

Considered to be the world's second most endangered ecosystem, the Atlantic Forest formerly covered 10 percent of the Brazilian territory—that is, nearly 850,000 square kilometers. Today, barely three percent of that area is left.

The funds approved today will be used in areas involving control, scientific research, environmental education, self-supported development, and conservation units.

Connection of Accident With Navy Program Denied

PY1009214490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Sep 90 p 12

[Report by Regina Barreiros]

[Excerpt] Rio de Janeiro—The National Nuclear Energy Commission (CNEN) has officially termed "absurd" the information that work using americium-241 at the Nuclear Engineering Institute (IEN), on the Ilha do Fundao University campus, is part of the parallel nuclear program the Navy is developing in Ipero, Sao Paulo State. CNEN Executive Director Anselmo Paschoa refused to disclose the objective of the research with the radioactive metal that contaminated chemist Sonia Valente, sending word through his spokesman that it is "laboratory research."

Since the incident with the radioactive element last week, the work with it has been explained in at least two ways. It was first said that the liquid americium would be used to calibrate nuclear equipment, and later, that it would be used to study radioactive contamination in plastic materials.

Yesterday, the IEN said again that chemist Sonia Valente was contaminated while she was preparing americium nitrate to irradiate plastic materials. These materials would then be studied at the IEN's Physics Department where the radioactivity would be measured and radioactive properties analyzed. "Our work with americium has nothing to do with the Navy's program for developing a reactor for a nuclear submarine," affirmed Jessie James Gomes da Silva, head of the IEN's Radio-protection Section [Secao de Radio-protecao], in explaining that the americium was not destined for the Aramar Experimental Center in Ipero, Sao Paulo state. [passage omitted]

* USSR Seeks Scientific Cooperation Accords

90SM0219C Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jul 90 p G-3

[Text] (Local bureau)—With the aim of developing scientific cooperation with Brazil, the Soviet delegation and its representative, Alexandre Stempkowski, visited our country during the Fenasoft to study Brazilian programs that could meet the needs of the Soviet Union, and to find companies interested in exchanging programs and techologies by means of joint ventures (partnerships).

"The Soviets are primarily interested in obtaining educational programs, programs for the transportation sector, software for mapping areas of scarcity, and applications for the banking sector," declares Sebastiao Tavares Pereira, 40, president of the Association of Brazilian Software and Informatics Services (ASSESPRO), the organization responsible for Brazil's contacts with the Soviet Union.

Monday before last—during a meeting with the Special Secretariat of Informatics (SEI), the Funding Authority for Studies and Projects (FINEP), and the Ministry of Foreign Affairs—Stempkowski said that most Brazilian companies are not interested in agreements with the Soviets because the latter have no hard currency with which to pay for the programs. This lack of interest is evidenced by Stempkowski's statement that he would agree to negotiate with someone from the government or private enterprise who would represent Brazil's interests.

The lack of hard currency in the Soviet Union is forcing the Soviets to barter products and information. Tavares says that Soviet scientific software is in a developed stage, and that the Soviets are concerned more with the usefulness of the product than with its packaging. "There, the pirating of Base III is extensive, and they are interested in adapting Brazilian products to their conditions," he says.

In the course of last week, 15 Brazilian companies obtained interviews—of 15 minutes each—to show their products to the Soviets, who will select some of them for participation in the Expo Moscow '90 informatics fair.

"In keeping with the new philosophy established by Gorbachev," Tavares says, "the Soviet Union is buying two million PC's (personal computers) from the United States, Taiwan, and Europe in order to begin the process

of computerization. The government is buying the computers to distribute to the areas that need them most." He says that the USSR has bought these machines because no Soviet equivalents are being made.

Tavares said the Soviets know that their products are not diversified and that most of them are of poor quality. He said that Digilab, SID, and Itautec entered into negotiations with the Soviets to sell their equipment designed for the banking sector, but that "the Soviets did not seem to be very interested."

*$123 Million Debt Payment From Iraq Sought

90SM0219E Rio de Janeiro O GLOBO in Portuguese 21 Jul 90 p 24

[Article by Milton F. da Rocha Filho: "Avibras and Engesa Attempt To Collect 8 Billion Cruzeiros From Iraqis"]

[Text] Sao Paulo—The two principal armament industries in Brazil—Avibras [Avibras Aerospace Industry, Inc.] and Engesa [Specialized Engineers, Inc.]—are negotiating with Iraq for payment of a debt of $123 million (8.3 billion cruzeiros at the commercial exchange rate) for equipment and technical aid supplied during the war with Iran. The Iraqi Government has already indicated a desire to negotiate the debt and is even thinking of setting up a schedule for payment of the debt.

The Iraqi authorities acknowledge moreover that their country will have to obtain international loans to normalize its living conditions and pay its debts. Both Engesa and Avibras have entered into a composition, in an effort to bring about a gradual return to normal activities. Engesa is negotiating with Saudi Arabia for the sale of Osorio heavy tanks, and the sale is expected to be finalized in August or September.

Iraq owes Engesa $80 million (5.4 billion cruzeiros) and Avibras $43 million (2.9 billion cruzeiros). A meeting was held between officials of the Brazilian Foreign Trade Association and the Foreign Affairs Ministry to learn the present status of Iraq's debt to the two Brazilian companies. It was at this meeting that the amount of these debts was disclosed together with the fact that the Iraqi Government wishes to resolve the matter.

At the present time the armament industry is facing difficulties because of the climate of detente that exists throughout the world and that has diminished the conflicts in the Middle East. This was the case with Engesa, whose best customer was Iraq. And the Iraqis canceled the orders it had placed with Avibras, which had begun building 400 armored trucks on chassis imported from Germany.

* Osorio Sales Talks With Saudis Proceeding

90SM0219F Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 27 Jul 90 p 3]

[Text] The negotiations between the Ministry of Defense of Saudi Arabia and the Sao Paulo company Engesa (Specialized Engineers, Inc.) for the delivery of 318 EE-T1 Osorio heavy tanks equipped with 120-mm guns "are proceeding normally following the intervention of President Fernando Collor in behalf of the Brazilian product," it was disclosed yesterday by an adviser to Secretary for Strategic Affairs Pedro Paulo Leone Ramos, who is in charge of the negotiations.

At the Foreign Affairs Ministry the head of the Department of Trade Promotion, minister Rangel de Castro, transmitted to Foreign Affairs Minister Francisco Rezek a denial of the report—attributed to him and published in Sao Paulo—according to which the failure to reach a decision on the $2.2 billion contract is straining relations between Brazil and Saudi Arabia. Government analysts pointed to the presence of Ambassador Luis Vilarinho on vacation in Brasilia, and the fact that the Saudi Embassy is without an ambassador and is awaiting a replacement, as indications that diplomatic relations between the two countries are normal.

The status of the Brazilian proposal, however, is not any better than it was in June following president Collor's contacts by telephone with King Fahd. At Planalto Palace, an interministerial memorandum circulated in late June warns of an increase in U.S. pressure to prevent the contract from being awarded to Engesa. The unofficial argument is that the equipment of the Saudi ground forces has traditionally been purchased in the United States, which maintains an enormous presence in Riyad: 400 diplomats, a university, economic and military advisers, and advisers in the areas of informatics, planning, and telecommunications. The High Command in Riyadh has already decided to buy 315 U.S. M-1A2 Abrams tanks (half of the proposed total of 630 tanks) and has received from the manufacturer—the General Dynamics group—a suggestion that it again put the second half of the "package" on hold pending the delivery of the first 150 tanks from the United States.

* Petrobras Closes Out First Six Months in Red

90SM0219D Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 27 Jul 90 p 3

[Article by Rosane de Souza: "Petrobras Winds Up in Red"; first paragraph is O ESTADO introduction]

[Text] The state enterprise Petrobras had a loss of 31 million cruzeiros in June—the first loss of this year.

Rio de Janeiro—Petrobras lost 31 million cruzeiros in June despite the fact that it recorded, for the first six months of the year, a net profit of 28.4 billion cruzeiros, equivalent to $466 million. In publishing the company's balance sheet for the period January-June, Petrobras [Brazilian Petroleum Corporation] manager Revnaldo

Villardo Aloy said the company's first financial loss in 1990 was caused by the fact that on the domestic market petroleum was selling at 45 percent—and fuels delivered to consumers at 24 percent—below the real market price. The state enterprise even presented a bill to the National Department of Petroleum (DNP) for the difference accumulated in the first six months—14.09 percent—between the price for the petroleum it imports and the price it receives in Brazil. Whereas it bought a barrel of oil for $16.08 on the world market, it received only $14.0938 per barrel from the government.

According to the calculations of Petrobras' Financial Directorate, whereas the inflation rate as measured by the Consumer Price Index (CPI) was 750.70 percent for the first six months of the year, fuel prices increased by only 529.88 percent. The dollar was readjusted upward during the same period by 437.26 percent, whereas Petrobras' price increases amounted to only 379.22 percent. Despite the deficit in its accounts, the net profit of the state holding company was derived from its own revenues, inasmuch as for the first six months of the year the subsidiaries again showed losses, which totaled 9.6 billion cruzeiros. Of the seven subsidiaries, only Petrobras Distributors (BR) (7.5 billion cruzeiros), Braspetro [Petrobras International, Inc.] (150 million), the defunct Interbras [Petrobras International Trade, Inc.] (953 million), and Renave [Ship Repair Company] (37 million) showed a profit.

The subsidiary Petroquisa [Petrobras Chemical Corporation] again showed a loss—this time of 709 million cruzeiros ($12 million), also as a consequence of the decline in sales after the Collor Plan went into effect. The cumulative losses of Petrofertil [Petrobras Fertilizer Corporation] reached 5.29 billion cruzeiros, while the losses recorded by another defunct subsidiary—Petromisa [Petrobras Mining Corporation]—totaled 12.3 billion cruzeiros. Gross sales of the state enterprise for the first six months of the year totaled 412.988 trillion cruzeiros ($6.7 billion). As of the last day of June, the state enterprise's total indebtedness was $3.057 million, of which $2.084 million was in short term obligations.

* Planalto Restructures Advisers' Functions

90SM0219B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jul 90 p 4

[Text] Brasilia—Planalto Palace has restructured the functions of the president's advisers—thereby formalizing powers that were already being exercised informally—with the aim of encouraging political coalitions and contacts with other sectors of the government. According to yesterday's edition of the DIARIO OFICIAL, for example, spokesman Claudio Humberto Rosa e Silva is no longer the coordinator of Social Communications and has become press secretary, in which capacity he is responsible for setting the editorial policy of the official media such as Radiobras [Brazilian Radiobroadcasting Company], which is an entity of the Ministry of Justice and is headed by Marcelo Netto.

In the new structure Ambassador Marcos Coimbra, secretary general of the Presidency, continued to be the most influential presidential adviser but transferred the bureaucratic duties of his office—such as travel planning—to the ceremonial section, leaving him and his staff more oriented toward political duties such as contacts with the other sectors of government and private entities. Coimbra exchanged his undersecretary general, Minister Carlos Garcia, for the head of the Consular and Legal Department of the Foreign Affairs Ministry, Ambassador Marcio Dias. Garcia now serves as head of the Directorate General of Administration, an organ of the Undersecretariat General.

The five advisory offices—Economic Affairs, Social Affairs, Legal Affairs, Legislative Affairs, and Diplomatic Affairs—which during the Sarney administration functioned directly under the president of the Republic are now farther removed and are placed under the Directorate General of Administration.

Claudio Humberto insisted that the transformation of his coordinating office into a secretariat represents only "a change of name so as to describe its functions more precisely." He did, however, receive formal reponsibility for coordinating the social communication policy of the federal government, mustering radio and TV networks to carry a speech by the president or a cabinet minister, and making decisions concerning the publication of materials of interest to the office of the president.

* Debt Service Payments May Total $7 Billion

90SM0232A Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Aug 90 p 5

[Text] The government says that the increased total of debt service payments this year does not change the goals.

Brasilia—Foreign debt service payments could total $7 billion this year. In an interview granted to AGENCIA ESTADO, Ambassador Jorio Dauster said that the payment of $7 billion (the initial estimate was $5 billion) does not signify any change in the strategy for negotiation of the debt, much less any concession to the creditors. This amount does not exceed the goals set for monetary control, the government deficit, and protection of the foreign exchange reserves, and does not impact the policy of combating inflation. "The $5 billion figure came up during the election campaign," the ambassador said.

But the private banks, which have been exerting pressure to get Brazil to resume payment of the past due interest—which totals more than $7 billion—are not going to receive anything before there is an overall agreement concerning the medium and long term debt. The payments are made in accordance with rigid priorities: first, the International Monetary Fund (IMF); second, the World Bank and IDB [Inter-American Development Bank]; third, the Paris Club; and last, the private banks.

Only the IMF, IBRD [International Bank for Reconstruction and Development], and IDB are receiving payments. "It is a question of arithmetic," the ambassador said. "We cannot pay the past due interest, because it equals our total reserves."

The theory that the past due interest could cause an interruption in the granting of short term loans to finance Brazilian foreign trade does not frighten Dauster. He said he has held informal talks with a number of bankers to determine what would happen if these lines of credit were voluntary instead of mandatory, as they are at present. "Most of them replied that they would continue the financing," the ambassador said. Nevertheless, Dauster insists that the Brazilian Government is continuing to score some outstanding successes in an effort to develop credit lines to finance foreign trade in the event that the regular credit lines are suspended. He declined to disclose what these successes were, however.

The Bank of America has already communicated to the Central Bank its formal acceptance of the invitation to send representatives to Brasilia to discuss with Brazilian authorities new modalities for negotiation of the foreign debt. This is the first concrete indication that the strategy of transforming Brasilia into the center of negotiations—which until now have been carried out in New York—can yield good results.

The system of separate negotiations is intended to recognize the interests of each of Brazil's creditors. Following these talks—which the ambassador calls "a kind of public opinion survey"—the negotiations may possibly be transferred to the advisory committee of the banks, which consists of representatives of Brazil's 14 largest creditors.

Heading a team of approximately 100 that is divided into different groups, Ambassador Jorio Dauster also wants to initiate negotiations during the second half of this year with the Paris Club, to which Brazil is scheduled to pay approximately $4 billion this year.

* Short Term Credit Lines May Not Be Renewed

90SM0232B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Aug 90 5

[Text] Bank of Brazil President Ibrahim Eris said yesterday that the Brazilian Government may forego the short term credit lines of the foreign banks, in the event that the creditors make "exaggerated demands" as a condition of renewing them. These credit lines—which finance foreign trade operations and interbank transactions of Brazilian bank branches abroad—have been used by the creditor banks to pressure Brazil to resume payment of the past due interest on the foreign debt. The credit lines are scheduled for renewal in late March of 1991.

Eris acknowledged that some banks are liquidating their positions in these credit lines while others are reducing the volume of credit, reducing the time allowed for payment, and even charging high spreads. "But," he said, "I found that this situation already existed when I took over as head of the Central Bank, and it has not changed. When these credit lines expire, we shall sit down and negotiate. One thing is sure, however: We are not going to buy dollars to pay the creditor banks." Eris made this statement after reporting that just this week the government completed the calculation of the public sector's ability to pay its creditors.

Thomas Reichmann, chief of mission of the International Monetary Fund, has already met twice with Ibrahim Eris. "We discussed the Economic Plan and monetary, fiscal, and foreign exchange policy," he said, "but we did not go into technical details."

* BCB To Strengthen Control Over Liquidity

90SM0232C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Aug 90 p 5

[Text] Rio de Janeiro—Beginning in 17 September, the Central Bank will have another powerful instrument for controlling liquidity. As of that date, the Central Bank is no longer obligated to finance in new cruzados the assets of the financial institutions. Central Bank president Ibrahim Eris warned yesterday that whoever does not have cruzados will have to obtain cruzeiros. A very large volume of money—not yet calculated—will be withdrawn from circulation. "We shall study mechanisms for refinancing with a view to ensuring that everything will not change overnight, which would have a very severe impact on the system," Eris said.

The transition will be gradual. "The Central Bank will be able to make liquidity loans in cruzeiros at market rates," the Central Bank president declared. "In large part, the funds involved in the refinancing relate to the housing departments, where the profile is longer," Eris said. The exchange of new-cruzado debt for cruzeiro debt in September, he acknowledges, may give rise to very strong monetary pressures. The amount of loans made in cruzeiros by the Central Bank will therefore determine the degree of monetary pressure.

The Central Bank president reaffirmed the intention to eliminate the BTNF [Fiscal National Treasury Bond] within 30 to 60 days if inflation is stabilized at no more than 10 percent per month. Once the decision has been made to eliminate the BTNF, this could be accomplished in one of two ways. In the first scenario the government would continue for a stated period to announce the BTNF, but only for the purpose of adjusting existing contracts; new contracts could not use the BTNF. In the second scenario the BTNF would end, and the contracts that provide for adjustment would make the adjustment proportionate to the rate of inflation.

* 'Divided' Government on Fuel Rationing Option

90SM0232D Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Aug 90 p 1

[Article by Marcio de Moraes and Pamela Nunes: "A Divided Government Considers Rationing"]

[Text] Minister of the Infrastructure Ozires prefers an upward revision of prices to restrict consumption, but Minister of the Economy Zelia Cardoso de Mello is opposed.

Brasilia—Hidden behind the ingenuous label of "contingency plan," the rationing of fuels derived from petroleum—such as gasoline and diesel fuel—is becoming an object of discussion at the cabinet ministries in Brasilia. Sources in the Infrastructure Ministry announced yesterday that rationing is only a matter of time—that the longer the conflict in the Persian Gulf lasts, the more likely it is that measures will be adopted to this effect.

Minister of Foreign Affairs Francisco Rezek declared that rationing—if that is the option chosen—will be for the purpose of managing the national petroleum reserves, the size of which has been the object of controversy. Whereas Infrastructure Minister Ozires Silva maintains that Brazil has sufficient stocks for 80 days, Petrobras [Brazilian Petroleum Corporation] President Luiz Octavio da Motta Veiga insists that within 44 days the company's tanks will be empty.

The contingency plan—created by the defunct National Service for Intelligence (SNI), now the National Secretariat for Strategic Matters—calls for supplying essential activities on a priority basis: hospitals, the Armed Forces, ambulances, and mortuaries. Closing service stations on weekends is another proposal under consideration. One year ago, during an irreversible crisis in the supply of alcohol, the government began to consider this matter. Meanwhile, a simple measure adopted under the auspices of the defunct National Council for Petroleum (CNP)—which is now the National Department of Fuels (DNC)—curtailed the demand for alcohol: namely, a reduction in the quotas allocated to the distributors.

A source within the government commented yesterday—while awaiting the arrival of President Fernando Collor for a ceremonial public appearance—that the government is afraid the consumption of petroleum products may increase. He explained that this concern stems from the characteristic tendency of Brazilians to increase consumption during periods of crisis in order to accumulate their own stockpiles. This practice, the source commented, not only forces Brazil to buy more oil at higher prices but is also very unsafe.

Fuel consumption has increased substantially since March: 31 percent for diesel fuel, 26 percent for alcohol, and 23 percent for gasoline [graph not included].

There is a fairly substantial margin for maneuver before the government adopts a rationing program. The subject has already produced an initial clear-cut division, however. One school of thought wants to preserve the health of Petrobras and is therefore asking for increased prices. Ozires Silva, its principal spokesman, insists that rationing is difficult to implement because it provides an opportunity for all kinds of fraud that jeopardize the final result.

Concerned about the inflation rates, Economy Minister Zelia Cardoso de Mello fears that granting fuel price increases will put the economy beyond her control. Fuels are a significant component of the inflation indices, and talk of higher prices is the one thing that she does not want to hear. The DNC experts, however, state that the 8.9 percent price increase in effect since yesterday "is insufficient."

In any event, these experts insist that the economy minister won this round in the fight to find a solution via the price route, for Petrobras was asking for a 17 percent increase. Ozires Silva's arguments were insufficient, and the increase was limited to 8.9 percent.

* Technology Investments May Triple Under Collor

90SM0232E Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Aug 90 p 3

[Text] A government plan provides for the investment of risk capital by the BNDES [National Bank for Economic and Social Development].

Brasilia—Investments in technology—primarily in the industrial sector—are expected to jump from $1.8 billion in 1989 to $5.1 billion by the end of the Collor administration with increasing participation by private enterprise and financial institutions such as the BNDES and a reduction in participation by the Treasury.

These figures were presented yesterday at a meeting of government economists and technical experts to discuss the new industrial and foreign trade policy. The discussion was marked by a still high degree of "indecision," according to Winston Fritsch of the PUC [Pontifical Catholic University] of Rio de Janeiro. Fritsch said that no one knows, for example, where the funds will come from to increase the ratio of participation by the financial institutions in technological development from the current two percent to 28 percent by the end of the Collor administration. Moreover, he viewed as "disappointing" the increase in the ratio of participation reserved for the private sector in the government's calculations from the current 11 percent of the total to 13 percent.

The plan for technology policy and investment will be announced by Minister of the Economy Zelia Cardoso de Mello by 27 August. This will be the second step taken to implement the new industrial policy, which will follow the trade "opening" brought about by the gradual reduction of import duties.

According to Federal Internal Revenue data concerning actual imports, the trade "opening" has not yet yielded any

results with respect to purchases abroad. This is explained largely by the slowdown in economic activity, Fritsch said. Brazilian imports—exclusive of petroleum and wheat—totaled $8.3 billion for the period January-July compared to $7.3 billion for the same period last year. This increase of 14 percent—concentrated in the final months of the Sarney administration—was motivated by the prospect of hyperinflation and by the overvaluation of the exchange rate. There was an increase for the month of July of 16.8 percent over the figure for the previous month, but the level of imports ($1.3 billion, exclusive of petroleum and wheat) is still below the figure for the same month of 1989 ($1.4 billion).

Credit

The secretary for science and technology, Jose Goldemberg, disclosed that the government plans to create a new credit line in the amount of $1 billion to provide financial incentives for scientific and technological development. The new mechanism—which will need the approval of the National Congress—provides for the granting of loans by the BNDES to private companies in the form of risk capital. The bank enters as a partner, because of the risk clause. "If things turn out well," Goldemberg commented, "that's fine. If they don't, the owner of the company will lose money and so will the BNDES."

Goldemberg also said that the invitation extended to the private sector is another distinguishing feature of this government's policy in the area of science and technology. "The need for modernization," he said, "will necessitate more loans. It is either modernize or go out of business." In his opinion, the existence—until recently—of a guaranteed market for domestic industry led to technological backwardness in many sectors of Brazil's industry.

* Swiss Missile Technology Said Little Used

90SM0232F Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Aug 90 p 7

[Article by Roberto Godoy: "Swiss Technology Was Little Used"]

[Text] The negotiations of Avibras Aerospace with the Swiss group Contraves began in 1979 when the project for the Astros-II missile launcher entered the final phase. This weapon compensated for the lack of precision of ballistic missiles—missiles not guided electronically and stabilized only aerodynamically—with a high degree of precision in aiming the vectors toward the target.

Each group of four batteries (16 launcher carriages) uses a Fieldguard fire-direction center coupled to a data processing center mounted in a container which is in turn transported by the same type of semiarmored vehicle of the group.

In the firing area, one of the units carries out a test launch in the direction of the objective. The trajectory is tracked by the center for approximately 50 percent of the course, at which time the test missile self-destructs. The computer projects the rest of the distance, combining these data with the weather reports from the critical area as to winds and changes in atmospheric pressure or temperature. The coordinates are instantaneously projected into the controls, permitting a yield of more than 98 percent in relation to the point of impact.

This configuration had the participation of Contraves-Oerlikon only in Phase 1 of the program. The centers delivered to Iraq during this phase retained less than a 40 percent internal similarity with the original Swiss project as to components and equipment, although the design of the layout remained the same. In 1985 Contraves proposed to Avibras that it market the Brazilian version of the Fieldguard.

The Astros-II sold to Saudi Arabia incorporates this system, attached to a sophisticated land navigator, which is fundamental for movement in the desert. Iraq has approximately 40 batteries, involving 160 standard carriages from Tectran, a subsidiary of the group.

None of the Avibras managers in Sao Jose dos Campos wanted to comment on the disclosure by the Swiss press. An exporter with connections to Avibras pointed out, however, that the original contract signed with Contraves did not provide for vetoing reexportation, because that involves not end products but specialized know-how.

Chile

Government Minister Expresses Respect for Germany

PY0709141390 Santiago Radio Cooperativa Network in Spanish 2300 GMT 6 Sep 90

[Text] The Cabinet meeting presided over by President Aylwin this morning lasted six hours. During the meeting, Finance Minister Alejandro Foxley explained the 1991 national budget draft bill. According to Minister Secretary General of Government Enrique Correa, the Cabinet and the president expressed their support for the finance minister who announced that the health, education, housing, and public works sectors will receive priority treatment next year. The government will continue to give priority treatment to the poorest sectors, women, youths, children, and the elderly, Correa added. He said that the forecasts made by some sectors on possible economic, political, and social problems are not in keeping with reality. The government will comply with its promise to transfer power to the next administration with economic development, social justice, political stability, and without any institutional crisis.

Minister Correa was asked what the government thinks of Pinochet's statement regarding the German Army.

[Begin Correa recording] Since the Army has issued a declaration clarifying these concepts, we can only add that the statement made by the Army commander do not express the opinion or the feeling of the Chilean Government. We greatly respect the German state, its government, its Army, and its country. We have celebrated

the reunification of the two Germanies. Therefore, we cannot share statements which we do not think are correct or valid. It was, as the Army declaration states, an improvised statement after a luncheon. This clearly shows the need for all state authorities to use moderate, well prepared statements. [end recording]

When asked about Pinochet's reaction to the future use of Lo Curro Retreat, about which Pinochet said, quote, go ahead get us out of there, unquote, Correa said that it is well known that the government will adopt the corresponding administrative measure regarding the subject at the correct time, and that their decision must be obeyed. The government has authorities democratically elected by the people who conduct the state, Correa said.

Pinochet Meets FRG Attache on Remarks About Army

PY0809141590 Santiago Domestic Service in Spanish 2300 GMT 7 Sep 90

[Text] General Augusto Pinochet has sent a sealed message to the commander in chief of the German Army in which he refers to remarks he made about the German Army. Pinochet also met with (Wolfhard Thowel), FRG military attache to Chile, who said after the meeting that he was satisfied with the way in which General Pinochet tried to clarify matters and that this meeting has helped to improve links between the two armies.

[Begin (Thowel) recording] I hope and believe that this clarification is going to improve and solidify the strong links we have maintained up to now. [end recording]

Asked if General Pinochet's attitude had helped to resolve this incident, the German attache stated that he could not comment on this because that decision has to be made at another level. He also said that his meeting with the commander in chief of the Army had been a meeting of soldiers.

FRG Presents Protest Over Pinochet Remarks

PY0809145490 Santiago Domestic Service in Spanish 2300 GMT 7 Sep 90

[Text] The FRG Government has presented a formal protest to the Chilean Foreign Ministry over remarks made by General Pinochet about the German Army. FRG Charge d'Affaires Hans Uldrich Spohn met with Acting Foreign Minister Patricio Rojas at the Foreign Ministry.

The minister stressed that Pinochet's remarks could seriously jeopardize relations between Chile and the FRG.

[Begin Rojas recording] The FRG Government has expressed to our Ambassador Carlos Huneuus and the person in charge of embassies at the Foreign Ministry [as heard] its annoyance and energetic rejection of the remarks by General Augusto Pinochet, commander in chief of the Army, about the German Army and about the late General Count (Baudiese).

Along with the reaction of the FRG Government, there has been a stir in the public opinion of that country, where the media today highlighted the exact and true contents of the remarks by the Chilean Army commander in chief.

This delicate situation obliges the Chilean Government to transmit to the FRG Government—as I did today, as acting foreign minister—the government's rejection of General Pinochet's remarks, which could severely jeopardize the cordial relations that exist between Chile and the FRG. [end recording]

Asked whether the Chilean Government would present a constitutional accusation against Pinochet, Rojas stated that we do not agree with those remarks, which are serious and can jeopardize our very cordial relations with Germany. Regarding a constitutional accusation, he noted that the Chamber of Deputies will study the exact meaning of the remarks by the Army commander in chief in a special session on 12 September.

Rojas indicated that the government will continue to study the situation in accordance with the seriousness with which the remarks are regarded. He indicated that he might hold a meeting with General Pinochet in his role as defense minister.

Rojas pointed out that the country's foreign affairs are conducted by the president and that the commanders in chief of the Armed Forces must be extremely careful with their remarks when referring to relations with friendly countries.

Government To Adopt 'Special Measures' on Order

PY1109031690 Santiago Domestic Service in Spanish 2300 GMT 10 Sep 90

[Text] Referring to ceremonies scheduled for 11 September 1990, Interior Ministry Under Secretary Belisario Velasco has reported that the government will adopt special measures to safeguard public order, as on other significant dates. Velasco added that no request has been received yet from UDI [Independent Democratic Union], for example, to hold a ceremony this coming Tuesday [11 September] in front of the Army commander's house to celebrate the 17th anniversary of the military uprising. Speaking to reporters, Velasco stated:

[Begin Velasco recording] We have nothing official yet. Nothing has been requested so far. If the appropriate request is submitted for a ceremony, it will surely be authorized because it is in line with current government policy. If no request is received, it means that there will be no ceremony because all citizens in this country must comply with current laws. [end recording]

The Interior Ministry under secretary added that the government has authorized a request submitted by Santiago University students to hold a ceremony at the university, and a request by a group of relatives of

missing and executed political prisoners for celebration of a mass to be said at the church of the French priests [iglesia de los padres franceses].

Velasco added that the Santiago intendant has rejected all requests for public acts in the following parks: Bulnes, Constitucion, and the parade ground. He explained that other requests have been submitted by the Senate to celebrate the 11 September anniversary indoors. He added that celebrations of this type can be held any place in the country with no need for previous authorization, provided that rules are respected.

The Army will celebrate the 17th anniversary of the military uprising on 11 September 1973 with an internal ceremony that will include a thanksgiving mass to be said at the military school. Army Commander General Augusto Pinochet will attend mass. Several officers from the different Army units will also be present at those ceremonies.

According to the Army Public Relations Department, commanders of Army units will greet General Pinochet at 0730 at the general's residence. Another delegation of officers, noncommissioned officers, and contract personnel of the Santiago garrison, headed by Brigadier General Carlos Parera, will greet the general afterward.

At 1130 at the military school, General Pinochet will receive the compliments of the corps of generals and other national personalities. At noon, he will attend a mass to be celebrated by Army Chaplain Msgr. Joaquin Matta Varas and other Army chaplains.

The last ceremony is scheduled for 1900 at the military school, and will include a formal show by the Army concert band.

Army Payments to Pinochet's Son Investigated

PY0809163090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Sep 90

[Text] Defense Minister Patricio Rojas has said that his secretary is awaiting a report from the Chamber of Deputies on checks for more than 970 million pesos that the Army issued to the son of General Augusto Pinochet. Our reporter Carmen Castro will provide more information:

[Castro] The Defense Ministry is awaiting a report from the Chamber of Deputies on checks issued by the Army to the name of Augusto Pinochet Hiriart, son of the Army commander in chief, according to information provided by Defense Minister Patricio Rojas.

This week the press carried reports that last year the Army may have issued three checks for a total of more than 971 million pesos to Augusto Pinochet Hiriart, son of the current Army commander in chief and at that time president of the Republic, for services rendered. Asked about this matter today, Defense Minister Patricio Rojas replied:

[Begin recording] [Rojas] I do not yet have any information on this. I am awaiting a report from the Chamber of Deputies; as soon as I receive it, the report will be sent to the Army for explanations as to why these payments were made.

[Castro] Regarding the Lo Curro house [former presidential retreat now being used as Army social club], no note has been sent so that....

[Rojas, interrupting] If the government maintains its decision, the house will be kept as a residence for the presidents of Chile. Otherwise, the house will be turned over to the office of national properties."

Jurisdiction of UN Rights Commitee Recognized

PY0809134690 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Sep 90

[Text] A report from the United Nations says that Chile today recognized the jurisdiction of the UN Human Rights Committee over the International Pact on Civil and Political Rights and accepted the jurisdiction of the Committee Against Torture and the Convention Against Torture and Cruel, Inhuman, or Debasing Treatment or Punishment.

Juan Somavia, Chile's permanent representative to the UN, delivered the documents containing his government's decision. In a statement to the press, Somavia noted that the Chilean Government can identify with these international human rights mechanisms, which make up the basis of its social policies.

* Navy Commander Warns of Military Discontent

90SM0217C Santiago EL MERCURIO in Spanish 22 Jul 90 pp D1-D2

[Interview with Admiral Jorge Martinez Busch, commander in chief of the Navy, by Raquel Correa; date and place not given]

[Text] Like a good sailor, he refers to "the sea" and is somewhat reluctant to make the traditional comparison with a woman. The commander in chief of the Navy is a serious man, serious, intelligent, and one of a kind.

"Just imagine," he finally observes, "Christopher Colombus was an admiral of 'the [in the feminine] oceanic seas.' It is more romantic, more poetic.... The vastness, the magnitude, the uncertainty of the female nature."

"Is the sea cruel or generous?"

"Neither cruel nor generous. It is what it is and the men who go to sea always learn to respect it."

"Like women?"

The admiral laughs. He has sparkling eyes and his mind is as quick as a missile. He is a cultivated, courteous

man. Having spent 16 years and 3 months at sea, he can see both underwater and beyond.

Admiral Jorge Martinez Busch (54, married to Carmen Garcia Drummond) also has quite a singular family for a military man. Of his three children, only Maria Soledad chose a traditional career. A biologist involved in pure research, she is working on her doctorate. In contrast, Jorge teaches philosophy and theology and is a painter (he does not live in Chile and has made his father a grandfather). Gonzalo, the youngest, has a degree in music, plays the piano and flute, and wants to be an orchestra conductor.

The commander in chief of the Navy never dreamed of being a sailor, curiously enough, or even a military man. "Like Hector, my father, who was an army general and the only military man among eight professional brothers." Martinez Busch wanted to be a chemical engineer. His interest in science was born with the explosion of the atomic bomb. At that time, he says, he did not think about the ethical dimensions of the tragedy. He was only nine years old and gifted with an infinite curiosity to learn about and investigate everything.

A Catholic and an admirer of Saint Thomas ("as a philosopher"), his vocation for the sea came about by accident. His father was leaving for duty abroad and Jorge would have to leave school before his second year of humanities study was finished. His mother urged him to apply for the Navy and, incredibly enough, the man who was destined to become Admiral Merino's successor went to Valparaiso for the exams and saw the sea for the first time.

"How did you react?"

He pauses, smiles, and his response is a reflection of his personality.

"Physically, I saw it for the first time at the age of 13, but I already had an intellectual perception of the sea, a well-informed image, so I was not impressed."

He compares his relationship with the Navy with those old-fashioned marriages arranged by families, "where they lived happily ever after." However, the beginning was not so auspicious. He lived with a paternal uncle in the port city, an agronomist and professor of fine arts who had a splendid library. Cadet Martinez spent his time reading and failed the first year. He then decided to take his career seriously.

Born in San Bernardo (like the Aylwin family), he has many interests: political science, archeology, universal history. He was a professor of logistics, national security, and naval warfare. He taught geopolitics at the University of Santa Maria, was a research scholar at the Institute of Political Science of the University of Chile, and served as commander in chief of the fleet. He was also a minister of the Military Court. He is now completing his teaching credential in universal history at the University of Chile in Valparaiso. His thesis: the origins of the thought of Francisco Vitoria, the Dominican priest considered to be the father of international law.

"Aren't you afraid they will flunk you?"

"I am determined not to let that happen, but they naturally could. I hope to finish the task I have begun as well as possible."

He has fond, balanced memories of his childhood, of a group of friends who were "tremendously anxious to know and learn more," of chess games behind closed doors.

"What is the most important value your parents taught you?"

"Keeping your commitments, a sense of responsibility."

Punctual to a fault ("If they say eight o'clock, I get there at eight, even if it means taking a helicopter," he jokes).

Very strict with himself, his subordinates say he is mellow.

"You never shout?"

"I would say I have practically never shouted. I think command has its place in the hierarchy, which is already established, and the prestige and reliability one demonstrates to subordinates and superior officers come with the profession. Obedience follows because they want to give it, not only because of rank and regulations."

As a boy, he confesses, he had a bad temper. "I would fly off the handle," he says. The Naval School disciplined him, however, "and even though psychologists say it is not good, it is essential for this profession. Men of arms must have extraordinary self-control, self-discipline, rational coolness, express orders calmly and firmly, letting it be known that this is the best possible course of action at the time."

Admiral Merino

"What sort of an image do you have of Admiral Merino?"

"He was a great leader, of the institution as well as in his role as president of the Legislative Branch."

"But you do not have his sense of humor."

"No. My personality is nothing at all like his, except for our love of history, art, and the Navy. I do not like to fish or play golf."

"Or make statements to the press on Tuesdays?"

"That either. The admiral had a double role: political and military. My situation is strictly institutional."

There is one touch of humor in his office housed in the beautiful palace that once served as the Intendancy, facing the port. In addition to a computer which the admiral can work like a clock and which he keeps on

throughout the interview ("In case you ask me something I can't recall"), there is a plaque in English on his desk that says: "Marriages performed by the captain during long passenger ship cruises are valid only for the duration of the trip."

Sailor and Military Man

"How is a sailor different from a soldier?"

"In order to define the difference properly, you would have to look at the essence of what they do. The fundamental purpose of the Armed Forces is to wage war properly. The geographic environment introduces the major difference. In order to wage war at sea, everything has to be brought along: weapons, provisions, the platform, fuel. You must move about without expecting anything more from the sea than a clean, horizontal surface with only the horizon, the clouds, light and darkness, except when operating near the coast. Normally, there is no feature to protect you. There is only man and the enemy."

"In a land war," he continues, "you have bridges, roads, the mountains, valleys, fences, houses. We both have the same ideals and purposes, but geography forces us to wage war in different ways."

Five O'Clock

At five o'clock sharp, tea appears, perfectly served, proper, nothing but cookies to go with it. He does not even taste them. "Too sweet," he says, putting saccharin in his cup. He has gradually loosened up and is now much more relaxed and smiling. He says there is nothing British about him (his maternal last name is German), but the traditions of the Chilean Navy naturally are.

"Civilians caricature Chilean sailors as speaking English and drinking whiskey at sea."

"That is false," he chuckles. "At sea one has to be alert, with all one's senses, particularly when doing drills on board. It is exhausting to be at sea 24 hours a day."

His interest in universal history is not merely intellectual, he says. "Although I studied privately at the university, that interest was born of a conception of what a Navy officer should be. Universal history is a fundamental element in order for military men to understand war."

"What period of history do you like best?"

"The 16th century in Europe, concentrating on Spain. It is fascinating."

"If you had lived at that time, what would you like to have been?"

"The captain of any of the ships sailing around the world for the first time."

He then returns to the present:

"In the Armed Forces, an officer has a duty to be a good professional who has mastered the specific knowledge of his profession. And in order to understand his profession as part of the social body, he must have an extremely broad cultural background.

"The nation's motto is, 'By reason or might.' Are you on the side of reason?"

"Both. What happens," and here he begins to get enthusiastic, "is that one has to understand the phenomenon of war, which is essentially a social phenomenon."

"So you do not think it is barbarous?"

"For me, war is barbarous. When it happens, it is because someone has made a mistake."

"Does diplomacy oppose the military?"

"Absolutely not."

"A Chilean diplomat says a military man counts his enemies in order to exterminate them and the diplomat counts them to make friends with them."

"That is not true. The diplomat and military man join together in a common effort. The diplomat—interpreting the term to mean one who exercises politics, who communicates with words, backed by arguments—makes reason work. The military man has to be capable of telling the politician that when he is wielding arguments and sees they are not accepted, he must act even more surely because he has reasoned might on his side, measured, not excessive, might."

Civilian and Military Power

"If you had to shorten the national motto, which part would you leave?"

"I would keep both. With reason and might. Essentially with reason, but with force when reason is not enough. Behind that concept is what is called power. I am referring to national power."

He says he was never interested in personal power, "but is interested in seeing the military component of national power perform its function."

"Should military power be subordinate to civilian power in a democracy?"

"I think it is an extremely grave error to state the issue in terms of civilian power and military power because the word 'power' is a confrontational term, and in the nation one cannot have a confrontational concept between different actors who perform different functions in social life. The word 'power' is used to impose an idea, a determination, a direction, or to change behavior. When one speaks of civilian power and military power, one is proposing a confrontation between civilians and military men. This is a mistake because one would be extrapolating concepts that originate when one speaks of civil society and religious society."

"And such a confrontation does not exist, Admiral?"

"It should not exist, which is different. It has existed at times in specific groups, but it should not exist."

"In Chile today, is military power subordinate to civilian power?"

"Do not use the term 'power' because it is confrontational. The military component of national power goes along with the effort of the social component, which is the expression of politics."

"More bluntly, Admiral, who has more power in Chile today? After all, the president was the 'generalisimo'...."

"The president of the republic as such is always the 'generalisimo' [high general] of the Armed Forces. According to our constitution, he assumes that power to declare war following the legal authorization of the Legislative Branch."

"But should the Armed Forces be subordinate to the elected government or not?"

"This sounds like 'war games'," he laughs, then very seriously adds: "Please do not use the word 'subordinate.' They come under the president and the minister of defense in that jurisdiction. In no social activity does anyone like the word 'sub-mis-sion'."

"What word would you choose? Obedience?"

"Obedience is the proper word with respect to the constitution and the law, but it is not a matter of servile obedience, but rather, of 'rea-soned' obedience."

"To simplify things, who gives the orders: the commander in chief or the president?"

"The president gives the orders," he replies, in a "How-obvious-can-you-get?" tone, but people tend to make this into an absolute and that is not how it is."

"Then how is it?"

"Reasoned obedience. The relationship is established in the constitution, in the sense that the person of the president of the republic is recognized as the head of state and the nation. That is very clear. It is not open to debate. The constitution and our laws make the position of the Armed Forces under the president and the minister in question very clear."

"There are those who seem to have a different opinion."

"What do they think?" (He laughs.)

"That the atmosphere is confused, that the Armed Forces are worried...."

"There is always concern; there always has been concern in the Armed Forces. People forget one thing: In order for the government to function, there has to be a person who has the final word. That person is the chief of state. The Armed Forces recognize the president as chief of state and there is no debate. No one can claim to be deceived about this. What often does happen is that the president must be informed of situations that may be causing difficulties or problems. That is a clear and precise obligation of the commanders in chief."

Problem Situations

"Is this what you discussed in your private meeting with Aylwin?"

"Situations now exist that are causing problems and I so informed the president and the minister of defense."

"Are you referring to problems relating to human rights?"

"Indeed. On the pretext of revealing circumstances or situations that occurred 14, 15, or 16 years ago, they are using images, headlines, and comments with deliberate intentions."

"That is what the press is doing. What responsibility do you attribute to the government? Or do you mean that the government press is doing this?"

"All the press is doing it without exception. For example, part of the press suggested that the Soviet fishing vessel—which the other day was threatened with arrest—had been in the exclusive economic zone. The institution is not going to release such information if it is not sure of what happened."

"Admiral, do you think the government should try to control the press?"

"Absolutely not! Please! In no way! What was requested was that this should be done with the necessary caution and responsibility."

"That it be controlled 'cautiously'?"

"Please understand that it is not a matter of restricting information. It is a matter of handling information cautiously. The government has the capacity to suggest to the press, irregardless of the point of view—let us not get into this; it is not of interest to us—that the necessary caution and balance be exercised. But when one goes by newsstands and sees that the only color used in the headlines is red, one gets a bit concerned! This naturally has an effect; it can cause alarm."

He adds:

"The same is true of television or pictures in magazines. Given a citizenry that generally does not take the time to read, images are highly effective."

Rejection and Impotence

"You referred to events that occurred 14, 15, 16 years ago. In your opinion, is what is important when these events occurred or the fact that they occurred?"

"I wish the nation would begin to look at the past, not in a spirit of criticism or in order to find those guilty or responsible...."

"Simply forget?"

"Not look for those responsible or guilty. If we do, we shall find that the whole nation had something to do with events previous or subsequent to the incidents of 11 September 1973. What is important is to be firmly resolved that Chilean society need never go through situations of this type again. Politicians will have to lead society to higher levels in terms of harmony and agreements. The Armed Forces cannot be viewed as excluded from social life in order that the task of politicians may be positive."

"Given specific situations such as secret cemeteries, do you suggest that no investigation should be made?"

"If any person has information and wants to make it known, then let him go and make the proper report to the courts. That is what they are for."

"Do you think you can avoid the uproar produced by cases such as Pisagua?

"There are situations that went beyond the inevitable. Nor is there any attempt to check expressions of grief or mourning. What is important is that the information be given in more concise form: Such-and-such a thing happened, period. But then we have the newspaper comments, immediate accusations, fingers pointed at alleged guilty parties. This is beginning to cause unrest and commotion. All attempts at reconciliation disappear."

"Does that reaction of discomfort exist in the Armed Forces?"

"There is discomfort, rejection, the feeling of impotence and injustice when one cannot defend oneself against accusations that are normally gratuitous."

"In other words, you agree with officer N.N.?"

"I am commander in chief of the Navy. It is not a matter of my thinking like an alleged official. I am explaining something that is a reality in our society."

"To avoid that, should the disappearances not be investigated?"

"The Law of Amnesty is in effect and it must not be touched; it benefited both sides. Amnesty must legally be interpreted as if there never were any crime. Now then, if precise cases are determined outside the period of amnesty, they should be investigated."

"Investigated and punished, no matter who the guilty party is?"

"That must be determined by the courts. And I," he warns, "am speaking of my area, the Navy. The two fields of prisoners that were under the Navy were visited by the International Red Cross and all existing national and international regulations were applied to them."

"Do you think there was a war in Chile?"

"Obviously. There was what is called a 'civil war'."

"How long did it last?"

"The first months it was very intense. As it died down, different states of emergency were set up. In the middle and toward the end of 1974, the state of civil war in its various degrees disappeared, but there were still confrontations and deaths and casualties were still occurring. What is important is that from a state of total commotion before and after the 11th, the situation clearly returned to normal."

* Pinochet's Advisory Committee Viewed

90SM0217B Santiago HOY in Spanish
No 679, 23-29 Jul 90 pp 10-13

[Article by Maria Irene Soto]

[Text] It has always been one of General Augusto Pinochet's best-kept secrets: Who are the men who advise him?

They are the figures that glide through the shadows of military power, almost invariably without being recognized. They are the men who work at Banner 52 under the institutional command of General Jorge Ballerino. This is all we know because these men, ever discreet and ever cautious, have exercised utmost care to ensure that their names are never revealed publicly as persons enjoying influence with the leader.

To a certain extent it is part of the game. Like the soldiers which most of them are, officials serving on the Advisory Committee develop a taste for the tales woven by the press concerning its real members. Indeed, until only a few weeks ago, the government itself did not know who comprised the committee.

Fields of Action

According to exclusive information obtained by HOY, contrary to common belief, most of the advisers are officers still in active service. Civilian personnel are minimal and their roles are secondary. As in a military structure, the committee has a command and military hierarchy and is divided into different compartments individualized by their own headquarters. At the top is General Jorge Ballerino Sandford (an educated man with slicked down hair who is fond of golf, an intimate friend of former Minister Carlos Caceres, and a loyal defender of "the project"), who brought most of his team with him from the Office of Secretary General of the Presidency.

The structure under Ballerino has three major divisions, each one headed by a colonel. They are known as "fields of action." The area having to do with domestic and foreign policy is the domain of Colonel Cristian Labbe,

former secretary general of government. The economic sphere is headed by Colonel Julio Vejar, and the anchor man for national defense is Colonel Carlos Molina. Legal matters are handled by Colonel Juan Romero.

Vejar is seconded in in the study of economic and social matters as well as financial and budgetary affairs relating to the Army by Colonel Dante Santoni, former undersecretary of finance under the military regime.

Four lieutenant colonels work in the other areas: Jose Argomedo, Carlos Cid, Cristian Chigneaux, and Alfredo Ewing, in addition to Major Marcos Rodriguez, who works directly with Colonel Labbe.

Only two civilians serve on the Advisory Committee, although many teem around it. It is a well-known fact that strong ties exist between the men at Banner 52 and Pinochet's former ministers.

One of the two civilians is Fernando Emerich (who served as editor of the Arts and Letters supplement of the daily newspaper EL MERCURIO and Chilean consul in Hamburg, was in charge of book censorship, and whose "pen" can be recognized in the speeches of former President Pinochet). The other is Sergio Rillon (formerly head of the Office of Special Affairs, basically handling relations between the Catholic Church and the military government, but is known to have exercised influence on other matters of a distinctly political nature).

Shadow Cabinet

Based on the information which they themselves supplied to the government, some 20 other noncommissioned officers and 10 civilians work in administrative affairs and services, most of them as secretaries.

Exactly what do the officers on the Advisory Committee do? Their duties include:

- constantly monitoring the situation in every sector (domestic and foreign policy, economic and social affairs, matters relating to national defense);
- researching and analyzing specific situations in order to advise the commander in chief;
- drafting pertinent documents for the National Security Council (COSENA) (it is a fact that the Advisory Committee was partly set up because Pinochet is a member of COSENA);
- studying economic and social matters and financial and budgetary affairs relating to the Army; and
- analyzing legal and regulatory aspects relating to the Army and other government institutions.

It is because of these powers that the Advisory Committee has been attacked, not only by the government, which has publicly spoken of a "shadow Cabinet," but from within the institution itself. For example, its members are accused of being "politicians more than soldiers," "have become accustomed to a higher standard of living," and do not allow "the commander in chief to visit military units." Ballerino is to be blamed for placing the Army in an "isolated situation with respect to the other branches of the Armed Forces," and some have gone so far as to criticize—in private, naturally—the fact that the advisers enjoy certain privileges forbidden to the rest of the officer corps. For example, their uniforms are tailor-made!

End of the Offensive

The Advisory Committee was set up in accordance with Regulation ROR301 from the Office of Commander in Chief of the Army as one of the advisory organizations at the disposal of the commander in chief. As one of its members explained, it is an analytical unit distinct from the staff, which handles strictly military strategy in times of war and peace. However, in practice, it works like a staff, with analysis of possible courses of action, its advantages and disadvantages, and a proposal is finally submitted to the commander in chief.

Banner 52 is aware of the criticism. However, its officials think the role they play in the transition has been of key importance to the Army and the government as well. Indeed, the Executive Branch suddenly lowered the profile of its entire offensive aimed at doing away with the Advisory Committee. There has been no more talk of a request to return the building where the committee operates, located right beside the Ministry of Foreign Relations. Aylwin had requested it for its successors, the men in the Office of Secretary General of the Presidency.

Another key to putting an end to the official offensive was the presentation made to members of Parliament a few weeks ago (27 June) at the War Academy. Gabriel Valdes, president of the Senate, stated very clearly that the meeting had served to improve relations between civilians and the military.

It is symptomatic that no one speaks of the "shadow Cabinet" any longer!

How much influence does the Advisory Committee have on General Pinochet's decisions?

Based on the facts, it would appear that its power is very great. For example, its members were involved in the drafting of the statement made by the Army in defense of its action on 11 September 1973. From its offices came the other declaration that caused such hard feelings in the government and set the example for relations with the Rettig Commission. They were also involved in the removal of General Alejandro Gonzalez from the institution last week in an attempt to end once and for all the mysterious case of officer N.N.

* Rettig Optimistic About Commission's Progress

90SM0217D Santiago EL MERCURIO in Spanish 22 Jul 90 pp D8-D9

[Interview with Truth and Reconciliation Commission President Raul Rettig and Executive Secretary Jorge Correa by Blanca Arthur at Commission Headquarters; date not given]

[Text] There is nothing on the door except the Calle Arturo Prat number. When one enters, a plain acryllic sign confirms that this is the headquarters for the Truth and Reconciliation Commission.

Two women are waiting outside the door. On the walls there is no reference to the subject which has been under study for three months, human rights, and inside a secretary pool uses modern computers.

Perhaps this outward appearance is the most faithful reflection of how the work is being approached: with zealous reserve and great speed, because the aspiration is to come as close as possible to the objective proposed by President Patricio Aylwin in terms of completing its task within a six month period, "so that time does not slip through our hands while we look to the past."

The Commission was formed on 24 April and its task was to draw up an overall report on the truth regarding human rights violations to be presented to the president with recommendations on measures concerning payment of damages to relatives or prevent or impede the recurrence of any such events.

That is how things stand. The first three months of work on a complex mission are already completed, but it is a mission in which the government has placed all its expectations for resolving the burning issue of human rights.

Without question, much will depend on its results.

Today, now that the first phase is over, a full investigation has begun into the approximately 3,000 cases the Commission will examine in completing its task.

How has it operated and in what spirit?

That is what its chairman, Raul Rettig, and executive secretary, Jorge Correa, will tell us.

With an extraordinary sense of humor, Rettig says he thinks they elected him "because of my age," although, with a wisdom that time has not diminished in the slightest, he adds between chuckles, "partly because of my years, because it would be ridiculous at such an age, after having enjoyed all the distinctions to which I could have aspired, to have any ambitions left."

However, he modestly admits it was not only his experience that counted, but also those characteristics which meant that his appointment was a guarantee of equanimity.

"I think I had a certain reputation for caution or balance. For example, for me, opposing a regime does not mean being an aggressive opponent, although during my political life I have been one many times and am pleased that I have no enemies as a result of politics."

As he admits, he has not been without political commitments in his long public career. On the contrary, a radical throughout his life, he began to get war-hardened as a student leader, occupying the widest variety of posts, from undersecretary of interior for Pedro Aguirre Cerda to ambassador of Chile in the Popular Unity Government. He also occupied a seat in the Senate and, in 1985, presided over the College of Barristers.

When he retired from public service, he was soon to take on the greatest of all responsibilities he had ever assumed.

Indeed, not even with a magnifying glass could they have found an individual better suited to the task, for with astonishing lucidity, he has gloried in that necessary balance and wisdom bestowed by his age.

[Arthur] What do you think is the most important quality required to ensure the success of a task such as the one you are undertaking?

[Rettig] Endeavoring to be fair, naturally, and being honest.

[Arthur] What about prudent?

[Rettig] Everyone keeps using the word "prudent" on me; there is not a single article in which they do not use the label "prudent" and I think I have so often been imprudent in my life (he comments laughing).

[Arthur] Do you like being called prudent?

[Rettig] At my age, I find nothing wrong with it. If, when I was 35, they had described or did in fact describe prudence as the highest virtue, then I may possibly have felt slighted. I would not have liked them to call me "prudent" above all else.

[Arthur] But now you like it.

[Rettig] Well, now I am obliged to be prudent.

First Mission

[Arthur] After what you have learned in recent months, how would you describe the phenomenon of human rights violations? Did it go deeper or not as deep as you had thought it would?

[Rettig] It went deeper, and I do not wish to express any further opinion so as to avoid losing my objectivity, but in general I can tell you it had a greater impact.

[Arthur] Did incidents such as those at Pisagua change the focus of the Commission's task?

[Rettig] No. The fact that bones have allegedly been found in Pisagua and that information has been learned about all the dramatic events to which you refer was something that should have been taken into account before the Commission was appointed.

[Arthur] The impact it caused....

[Rettig] It might have motivated more people to come forth.

[Arthur] How do you describe the phase already completed by the Commission during which over 3,000 requests for interviews came in?

[Rettig] Excellent.

[Arthur] Why?

[Rettig] First of all, because of the trust people demonstrated. Those affected came in great numbers to register, showing they believed in the Commission and even expressing expectations that worry us.

[Arthur] Do you think those expectations are too great for the Commission to meet?

[Rettig] That is very possible, but we have been very sincere in explaining the Commission's work to them and they in turn seem to be satisfied as long as we perform our fundamental task, that of learning the truth about what happened.

[Arthur] But they are also asking for justice. How are you handling that situation?

[Rettig] I would say the majority of the people want to know the fate of their relatives, learn the truth about what caused their death. They want justice, but they express no desire for revenge or violence. They also understand that we are not the right persons to administer that justice. They know perfectly well that we are an investigative rather than a jurisdictional body so they cannot ask us to hand down condemnations or grant absolution.

[Arthur] Would you say their motivation could help the Commission to achieve the objective expressed in its name: Truth and Reconciliation?

[Rettig] Yes, because the human qualities in people are always surprising and, in that sense, I would tell you that the humbler the status of the relatives, the greater generosity one finds in them.

[Arthur] Aside from the personal presentations, you gathered information from various organizations having to do with the issue of human rights. Were you satisfied with the background information supplied to you, for example, by the Vicarage of Solidarity, or was it not sufficient?

[Rettig] Information can never be complete from any group, but it was all extremely valuable: that from the Vicarage of Solidarity fundamental; that from the Human Rights Commission also; and the same is true of that from CORPAZ, the self-help group of relatives of the victims of terrorism.

[Arthur] Did the Vicarage turn over part of its archives, as it announced it would?

[Rettig] It turned over a substantial amount of documents, except for information that might violate professional or religious privilege.

[Arthur] From which other organizations or institutions have you received valuable help? The bishops or political parties?

[Rettig] The bishops gave us a great deal of encouragement and the political parties gave us extremely important opinions about our work.

Cooperation of Armed Forces

[Arthur] What sort of cooperation did you receive from the Armed Forces?

[Rettig] From the Armed Forces we received the list of Carabineros victims, which was very complete. We received a memorandum from General Matthei saying he would come and, I understand, the Army is to send its list to us today.

[Arthur] Aside from information about the victims, do you hope to have their cooperation in this new phase during which you are gathering testimony to shed light on incidents reported?

[Rettig] In meetings I had with Armed Forces officials or their specially appointed representatives, I received a promise of cooperation from all branches of the Armed Forces.

[Arthur] Including the Army?

[Rettig] In its note, it says it will cooperate to the extent permitted by the constitution and the law, but we have received their promise of cooperation.

[Arthur] What do you think will be the scope of that statement? Do you think you will receive evidence from prominent officials who might be involved in the events?

[Rettig] I cannot speculate about what resolution will be taken by the Armed Forces on the matter. We are going to ask any person who might be involved in any incident to give us his information, not his testimony, because we have even avoided calling people as witnesses. "Witness" is a very legal term and might be confused with the activity of the courts. What we want is for any person connected with any event to give us his version.

[Arthur] So far the Army does not appear to be very eager and has expressed its apprehension. Do you think the cautious manner in which the Commission has proceeded may be a factor bringing about a change in attitude?

[Rettig] I have no indication leading me to think that such cooperation will not be forthcoming.

[Arthur] You have had no problems?

[Rettig] We have had no problems with any institution whatsoever.

Amnesty

[Arthur] Some of the objections to the Commission's work hold that it would violate amnesty granted in 1978. What is your opinion of that law?

[Rettig] I cannot express any opinion now. I cannot do so because of the nature of the Commission, which prevents me, for as long as my duties last, from expressing opinions about related policies or situations that might affect its objectivity.

[Arthur] Even though you have no jurisdictional powers, you will call on persons to give their testimony. Will you do so with those who may receive amnesty?

[Rettig] Yes, and precisely because we have no obligation to make any categorical ruling on such cases. We shall study all kinds of situations because each one of them is an element in our report. Our mission is to establish the overall truth, the generic truth, if you will, and, in order to do so, each of the cases individually considered is a significant element, so that I would answer your question in the affirmative. It is not our problem to determine whether the case will receive amnesty or not, but rather, our interest lies in the case as part of a phenomenon.

[Arthur] Based on the order, you are to send to the courts the background on those cases which in your judgment constitute crimes. So in such cases, you will not decide whether or not they are to receive amnesty either?

[Rettig] It is the courts which have to decide whether or not a specific form of conduct receives amnesty, when we form an opinion that a specific reference made to us assumes the nature of a crime.

[Arthur] To what extent would you say that the Commission was necessary as a result of the failure of the courts, as relatives of the victims claim?

[Rettig] The office I hold at the present time prevents me from answering that question.

[Arthur] The fact that the Vicarage is cooperating with you, while at the same time presenting cases to the courts, does not affect your task?

[Rettig] It does not create obstacles of any kind. It is cooperating with us by giving us information.

Facing the Truth

[Arthur] Based on the experience of other countries and comparing it with our own, how well-prepared do you think Chileans are for facing the truth about such events?

[Rettig] I think the country at least wants to know the truth. How well-prepared it is I do not know. That is a much broader concept. But the people do want to know. They want to know what happened.

[Arthur] Do you think it is a real condition for reconciliation?

[Rettig] Yes, I do. I think that leaving things as they stand would be infinitely worse and leave room for the individual kind of rancors that always emerge.

[Arthur] Do you think there would be more revenge?

[Rettig] Of course. If a person is not given a way to learn the truth in an organized—let us say "official"—fashion, he will keep on trying to find out for himself, with all the mistakes this always implies.

[Arthur] But could the fact that we may learn of situations that no one would ever have imagined not generate that cycle of violence feared by some?

[Rettig] I never thought of that.

[Arthur] To what extent is your work influenced by information published in newspapers reporting human rights violations?

[Rettig] I can answer that question insofar as it affects us. We achieved what one high military official deemed to be a miracle: successfully having the people, when they came to make their appointments, leave without saying anything and being successful with the press itself, because it conducted itself very well and did not accost people coming to the Commission to register with us.

[Arthur] Would you say you have had the cooperation of the press?

[Rettig] Total cooperation.

[Arthur] But there are constant reports of specific cases leaking to the press.

[Rettig] But not the ones that come to us; they are not the same ones. They do their own journalistic investigation. What I want to make perfectly clear is that they are not taking advantage of our work to engage in their campaign, or whatever you wish to call it. They have their own information.

[Arthur] In your opinion, do you think this contributes to reconciliation or not?

[Rettig] I would like less publicity.

Reconciliation

[Arthur] How would you define reconciliation?

[Rettig] Let's see.... There are concepts which in the abstract are difficult to define, but let us try: a gradual forgetting of the wrongs suffered by each individual. Willingness to think about something else, organizing one's mind to think about the future constructively, trying to leave behind anything that is dead weight, because it is rancor and has a negative impact on the mind. That would more or less be it.

[Arthur] And what does forgiveness mean?

[Rettig] Coming to an understanding with the enemy without attacking one another. Perhaps forgiveness is too eucharistic a concept to be required of everyone.

[Arthur] Do truth and reconciliation imply truth and forgiveness or truth and justice?

[Rettig] I think justice is a basic element in order for reconciliation to be achieved. Now then, there are degrees of justice. Justice includes everything from punishment to amnesty. When a government grants amnesty, it is because it deems it just that certain crimes not be sanctioned. A government cannot order amnesty for sentimental reasons; it must do so for reasons that are socially justified.

[Arthur] To what extent do you think the task of this Commission in which President Aylwin has placed so much trust can be "the" answer to the problem of human rights?

[Rettig] We would be content to be a vehicle leading to such a thing. I do not think there is any body that can be an answer in itself, but for a working group such as ours to make a major contribution to such a solution would satisfy us.

Report and Proposals

[Arthur] Once the work is done, you will make a report and pass on a number of proposals to the president.

[Rettig] The Commission will make an overall report on the events that occurred. That will be the main thing. I understand the proposals will deal with ways of making reparation to the families of victims and suggest means of preventing any reoccurrence of such happenings.

[Arthur] There could be many ways of preventing such a thing. Would you propose amnesty or a legal investigation, for example?

[Rettig] That is something I cannot answer because it will be part of the Commission's resolution.

[Arthur] But could it involve proposing amnesty or asking for a legal investigation?

[Rettig] It could take any form.

[Arthur] Regarding the report, which will be all-inclusive, as you say, will it consider each case individually?

[Rettig] Its all-inclusive nature will follow from the consideration of each case. It will consist of the generic conclusion we draw from each case. Otherwise, it would not be possible to analyze the phenomenon with the depth we wish to give it.

[Arthur] In the evaluation of the phenomenon, even if the Commission does not intend to investigate further, will it take into consideration elements previous to the period you are investigating?

[Rettig] We are going to consider everything we deem to be a cause of the phenomenon.

[Arthur] In other words, it might involve previous violence that led to the problem under investigation.

[Rettig] Anything.

[Arthur] Do you rule out the possibility that the result of your work could open wounds instead of healing them?

[Rettig] Well, that fear, which was very great when the task was first assigned to us, has gradually diminished. All the editorials in the main daily newspapers last week are favorable to the Commission and very generous in their understanding of our work. Political parties which originally made such an observation and which visited us issued an express statement to the effect that the Commission's work had caused them to change their position. In other words, I have objective grounds for being optimistic.

3,000 Cases

Attorney Jorge Correa Sutil directs the Commission's actual operations. As executive secretary, he organizes work, processes it, and keeps it secret.

In his first statement, he said the key to the success of his task was preserving confidentiality, as established by the decree, and he has done so with special zeal.

Correa Sutil therefore does not give out any information that might obstruct the work at hand. However, whatever is public knowledge and could contribute to an understanding of how work is conducted is not concealed.

He told EL MERCURIO of the steps being taken and what still remains to be done.

[Arthur] What exactly are the 3,200 applications you received during the first phase of your work?

[Correa] There are 3,200 persons who asked that their cases be investigated so they might subsequently give more detailed evidence.

[Arthur] Does this mean you will investigate that many cases?

[Correa] Not necessarily exactly that many, because there are cases in which two relatives submitted requests. We are processing some 3,000.

[Arthur] What percentage of the particular cases are not included on the lists also submitted by human rights organizations?

[Correa] There is a high degree of convergency, but an initial estimate is that approximately 10 percent are cases not previously registered, meaning they are making a report for the first time and, at the same time, there is another 10 percent or so on the lists, but whose relatives did not make personal applications.

[Arthur] Does that figure correspond to prisoners who disappeared, were executed, or died as a result of torture?

[Correa] The figure includes all cases presented that are within our competence, so that it also includes those committed by private parties for political motives.

[Arthur] In other words, the victims of terrorism.

[Correa] That is correct.

[Arthur] You sent requests for information to all organizations, without making any distinction between the situations in which the victims died?

[Correa] Yes, and we received all the reports from organizations dealing with the issue.

[Arthur] Which organizations sent you information?

[Correa] We received information from the Vicarage of Solidarity, the Human Rights Commission, Corpaz, the Pro Patria League, Frenao, and also from professional bodies and political parties.

[Arthur] Have you processed the figures from reports separating the victims of terrorism from the others?

[Correa] I cannot give you that information.

[Arthur] But in the case of the Armed Forces, they were notified separately. Have you received their reports?

[Correa] The Carabineros, Investigations, and FACH [Chilean Air Force] sent us information with the cases of their victims.

[Arthur] But what about the Army?

[Correa] They told us they are investigating and will send it.

[Arthur] Have you also received requests from the relatives of soldiers?

[Correa] Yes.

[Arthur] Aside from the lists, you asked various organizations for their cooperation. Have you received it?

[Correa] They have given us all the information we required.

[Arthur] Do you have the files from the Vicarage of Solidarity?

[Correa] They turned them over to us, except in cases where it would violate professional confidentiality.

Statements

[Arthur] Now that this first phase is over, the Commission was to begin to take statements from relatives. How many have already been taken?

[Correa] About 450.

[Arthur] On what grounds have you summoned relatives?

[Correa] We considered the different categories into which the cases fall, the way in which victims died, the year. In other words, we are trying to piece together information and put together a report providing us with the most complete, all-embracing picture possible.

[Arthur] So the Commission will also ask for statements from witnesses. Has it done so?

[Correa] Witnesses of a given incident are being summoned, but in cases in which there may be many witnesses, we shall be selective in order not to duplicate work. For example, we are not going to call on all persons who might have information about what happened in detention centers, but only certain ones.

[Arthur] And regarding information that could be supplied by possible guilty parties, what will you do?

[Correa] The Commission does not have the power to summon to make statements, but we do have grounds for hoping they will.

[Arthur] Have you received reports with names?

[Correa] Yes.

[Arthur] How is the questioning conducted?

[Correa] We ask what happened and relatives often know very little but have information to give us in order to initiate the investigation. We ask also what effects it caused, how the search was conducted, how they reacted, what petitions they filed. This works both ways: finding out where there may be information and gaining an idea of what it meant to the family.

[Arthur] Have you asked for information from the courts?

[Correa] The courts give us information except when they are in the confidential indictment phase. Attorneys have gone to review trials, but this is no problem because they are public.

[Arthur] What is the final result you hope to obtain?

[Correa] The order says the report must be as complete as possible and this implies knowing what happened and individualizing victims. We shall then investigate what happened in each category and organize the evidence to individualize victims based on the different methods.

[Arthur] All of this will be made public?

[Correa] Information can be given about evidence relating to the victims, but not by someone mentioned as a participant.

[Arthur] Do you think you can complete your work in six months?

[Correa] We shall continue to try to wrap it up in six months.

* CUT President Defends Government Labor Stance

90SM0217A Santiago HOY in Spanish
No 678, 16-22 Jul 90 pp 24-27

[Interview with CUT [United Labor Federation] President Manuel Bustos by Ana Eugenia Rodriguez; date and place not given]

[Text] CUT President Manuel Bustos says he is a loyal but not unconditional supporter of Patricio Aylwin's government. He warns that he will not hesitate to call a national strike if labor reforms do not meet workers' demands. Recently elected to the National Council of the main government party, the Christian Democrats (PDC), Bustos has publicly stated that the officials now in power tend to follow the same old economic policies.

[Rodriguez] Do you believe, as other CUT leaders have stated, that we now have a government of economists in which technocratic considerations prevail?

[Bustos] We have some problems with the economic team. We find they are cold in analyzing the problem and confuse economic figures with our figures, but our figures are human beings who need food, health, education, and housing. Their figures are numbers, dollars and millions of pesos, investments. We said that the economic team was tremendously cold-blooded and we even find some signs of insensitivity. For example, when we presented the problem of economic adjustment, we thought they were slow to take steps and this had an impact on the unemployment problem.

[Rodriguez] What did you think of Minister Correa's opinions when he said the government protects the interests of owners as well as workers?

[Bustos] I think that is normal. A democratic government has to make sure the laws do not hurt any sector; that is the attitude of a responsible government. Now then, it is the emphasis of the current ministers that you may or may not like. Sometimes I do not like it much.

[Rodriguez] Arturo Martinez, socialist vice president of the CUT, did not find them very normal and in fact criticized Correa's statement.

[Bustos] Well, it is my opinion that a democratic government has an obligation to ensure respect for the interests of all groups making up society. I do not want to think government will protect only the interests of businessmen. I hope it will also protect ours.

[Rodriguez] The CUT has disagreements with labor programs to be presented by the Executive Branch. Did the government disappoint the workers' expectations?

[Bustos] No. We are in a democratic system and in such a system disagreements are normal and legitimate. Things are not all alike. One cannot expect that things will all be vertical as under a dictatorship and we are no co-government. We are an autonomous trade union entity with a great commitment to back the democratic system and the success of President Aylwin's administration. But that does not cause us to lose our autonomy nor stop criticizing when things do not seem right. Concerning the reforms the government is sending to Parliament, we supported most of the demands and disagreed with others. It is natural for us to have differences. The workers' interests are different from those of the government.

[Rodriguez] In sending on suggestions on government proposals, you will have the support of the left, the PS [Socialist Party], the PPD [Party for Democracy], the IC [Christian Left (Party)]....

[Bustos] And why not the Christian Democrats? It is my understanding that all members of Parliament from the Concertacion support us, not just part of them. I do not think that Christian Democratic members are on the right. I have been with them and they clearly supported the workers' reforms.

[Rodriguez] But it is more likely that the leftist benches are closer to the positions of the workers and those of the DC [Christian Democracy] closer to the government.

[Bustos] That is not my impression. I know DC members of Parliament who are labor leaders: Ricardo Hormazabal, Jose Ruiz di Giorgio. I do not have the slightest doubt that they have much clearer positions on the trade union problem than any leftist member of Parliament.

[Rodriguez] In the impasse that occurred during the discussion of labor reforms, you disagreed with the government and therefore with the PDC.

[Bustos] The party said nothing about labor reforms. Christian Democratic members of Parliament will support CUT proposals. That is what they said.

[Rodriguez] And so far you have the definite support of whom?

[Bustos] Of all those who said they would support us.

[Rodriguez] Socialist Arturo Martinez, vice president of the CUT, said that through proposed labor reforms, the government wants to make the owners happy at the expense of the workers. Do you agree with him?

[Bustos] I do not answer for opinions of CUT council members. They have to answer for their actions.

[Rodriguez] You are a union leader and head of the main government party, the DC. Is it very difficult to juggle things in order to maintain loyalties in this "double membership"?

[Bustos] It has never been difficult for me. I have been a member for many years and nearly always the leader of some area of the party and I have never had that problem. I view the party as a group of persons working

to make a government for a people wanting change and seeking solutions for the weakest, working to develop the real possibilities of progress and fairness. I was elected by the workers to occupy a leadership post in the union and there I represent the workers who elected me and, along with them, take on the problems that each one faces and their legitimate needs. I try to guide them from the most rational point of view possible in order to achieve the greatest success. If such successes come through marches, strikes, demonstrations, and other measures, then naturally we shall do that. That goes beyond being a mere party member.

[Rodriguez] Moises Labrana, communist leader of the CUT, said that when labor reforms are discussed at the congress, the CUT should mobilize 10,000 or 15,000 workers in Valparaiso to make a show of strength. Will you head that demonstration in Valparaiso?

[Bustos] Labrana no longer enjoys much importance. If we need to, we will not mobilize 15,000 workers; we will mobilize the workers at the congress. And I think it is foolish to give a figure of how many we shall mobilize because, with four million workers, so say that 15,000 represent the CUT seems to me to be a mistake.

[Rodriguez] The opposition benches even oppose the government's labor reforms. What will they do if they are not approved?

[Bustos] Let's wait and see how things go at the congress. Over a month ago, however, we said that the first strike that happens in this country will probably be against the congress if we have the problem of rejection of our labor reforms.

[Rodriguez] A committee of political leaders from the government and the opposition graded the ministers. They gave Minister of Labor Rene Cortazar a 4.7. What do you think of that?

[Bustos] I find it unfair.

[Rodriguez] What would you have given him?

[Bustos] At least a 6. I think the minister has made a great and serious effort. It is different in a ministry with participation, where you sit down at a table and talk all day long, hours and hours. Points are formulated, agreements are drawn up, books consulted, you see what is happening in Germany, Brussels, the ILO [International Labor Organization]. There is discussion. It is not like with Minister Sergio Fernandez, who, when you asked him for an interview, talked and then said goodbye. Or got out the Labor Plan when he was all by himself in a room!

[Rodriguez] The CUT has proposed compulsory dues. How can you force people to pay dues to unions when they are not members?

[Bustos] That is in fact our proposal. We shall see what happens at the congress because we want to create a union extension fund. The government agrees on setting it up with voluntary contributions and government funds. In the parliamentary debate, we shall see whether or not it is constitutional to suggest that unaffiliated members also pay dues for union extension as long as they benefit from some kind of negotiations such as those we conducted with the government, the framework agreement that included pensions, the minimum income. It is perfectly possible that a worker benefiting from such talks would pay union dues once a year.

[Rodriguez] Communist Moises Labrana said layoffs should be authorized by economic officials, the minister of economy or labor, and....

[Bustos] Yes, that is a proposal of the CUT.

[Rodriguez] But it goes against economic principles, of noninterference by the government.

[Bustos] We disagree on that. Our proposal is that in order to have massive layoffs, there must be authorization and an investigation to see whether it is truly necessary for the company to dismiss workers in the manner planned, 10 percent of the personnel a month. We insist on that and intend to present it to Parliament.

[Rodriguez] Do you think owners are the same as under the dictatorship?

[Bustos] I think that part of the owners understand that to invest in dialogue is a good thing, that to invest in training is important. Others seek refuge in the past, long for the past, feel lost without the dictatorship.

[Rodriguez] What kind of image do you have of Manuel Feliu?

[Bustos] I have a good opinion of him.

[Rodriguez] Do you think he has the resolve to make these changes in order to achieve more social justice?

[Bustos] At least he has tried.

Colombia

Government Reacts to Bush-Gorbachev Meeting

PA1109015390 Paris AFP in Spanish 0112 GMT 11 Sep 90

[Text] Bogota, 10 Sep (AFP)—The Colombian Government today expressed the hope that the summit meeting between U.S. President George Bush and Soviet President Mikhail Gorbachev in Finland will lead to an end to the Persian Gulf conflict.

In the first reaction of Liberal President Cesar Gaviria's government to the Bush-Gorbachev meeting, Foreign Minister Luis Fernando Jaramillo said that the conclusions of the meeting in Helsinki coincide with the Colombian policy of rejecting the use of force to resolve differences between countries.

He explained that Colombia condemned the invasion of Kuwait by Iraq.

Regarding the international community's request for aid, he said "Colombia is making efforts to increase its oil production."

Minister Jaramillo ruled out the possibility of economic aid by Colombia and definitely dismissed the possibility of sending men to the combat zone. "Those are two things that would be unlikely," Foreign Minister Jaramillo concluded.

Paramilitary Groups Refuse Gaviria's Offer

PA0909131690 Mexico City NOTIMEX in Spanish 2040 GMT 8 Sep 90

[Text] Bogota, 8 Sep (NOTIMEX)—Liberal Party Senator Roberto Ivan Duque Gaviria, spokesman for the ultra right-wing paramilitary groups, warned today that these groups will not turn themselves in unless they are treated like guerrillas.

At the end of a meeting of ultra right-wing leaders in a Middle Magdalena area, Duque Gaviria said that the "self-defense groups" (paramilitary) will not accept President Cesar Gaviria's new decree until they are treated like guerrillas.

According to Duque Gaviria, the "self-defense" groups are a "military-political organization and will not accept that the government deals with each member on an individual basis (or as common criminals), as is intended in this decree."

On 5 September, the president offered the paramilitary (together with drug traffickers and terrorists) reduced penalties if they confessed to all their crimes, handed over their weapons, and accused other criminals.

The paramilitary groups have more than 5,000 well-armed men and have been accused of taking part in more than 400 attacks and hundreds of murders, mainly of a political nature.

The paramilitary inception was tightly linked to the Medellin Cartel's armed branch.

Fidel Castano Gil, "Rambo," one of the paramilitary leaders, is considered as the successor to the late Gonzalo Rodriguez Gacha, "El Mexicano," who was the Medellin Cartel's number two man.

Gaviria Writes Quayle, Outlines Drug Policy

PA1109011490 Bogota EL TIEMPO in Spanish 3 Sep 90 p 1A, 8A

[Report by Edgar Torres]

[Text] The Colombian offensive against cocaine trafficking has created the conditions necessary to deal a mortal blow to the sinister drug trafficking industry within a short period of time. That conclusion is revealed in the considerations listed in the first part of a confidential letter in which Colombian President Cesar Gaviria Trujillo outlines his administration's stance on the war on drugs to U.S. Vice President Dan Quayle.

"The Colombian effort," Gaviria notes "has substantially reduced the supply in U.S. markets, has caused major increases in the price of the drug on U.S. streets, and has pushed the price of the coca leave below the average cost of production." "Such results offer a 'window of opportunity' for dealing a blow to the basic structure of the drug trade over the short term."

What does that strategy entail? The note, as EL TIEMPO exclusively reported yesterday, is divided into four areas: drug trafficking, antidrug policies, commercial cooperation and the cost of the war on drugs, and bilateral commerce, including an investment agenda (commerce, finances, and investment). The first two areas basically define the framework of the offensive to attain this goal and strike what could be considered a "sudden attack" on drug trafficking.

In basic terms, Gaviria calls attention to three fronts. The first deals with the gradual decrease in support for the antidrug offensive among the Colombian public and the devastating impact a new terrorist offensive could have. That impact can only be countered with tangible signs of support from the international community for the country, rendered in the form of prompt economic assistance.

Thus, the note reiterates the new administration's commitment to a strong antidrug policy, but notes: "The U.S. Government must understand that the public's support in this area has been decreasing. It will become gradually more difficult to maintain a consensus at home on matters related to drugs, especially if we are facing a new narco-terrorist offensive...."

"Difficult days loom ahead. The best contribution the industrialized countries can make to increase the effectiveness of the war on drug trafficking is to show with tangible measures and actions that they are indeed willing to share the social and economic burden of this war. The new government of Colombia would like a joint review of antidrug cooperation efforts and a revision of discussions related to these matters."

The second front relates to the reduction in demand and the consequences the severe policy to control the budget deficit may have on the current programs of the Bush administration." [quotation marks as published] "Colombia is concerned about the likelihood that U.S. efforts to control drug consumption at home may drop because of the program to lower the budget deficit, which is currently being negotiated in the U.S. Congress. Maintaining and increasing efforts to cut demand are crucial to guaranteeing the relative effectiveness of the actions undertaken by Colombia."

To conclude, the note demands the United States exert greater pressure on different countries like South Africa,

East Europe, and Israel among others, to deal with the clandestine criminal industries that have been gaining strength through the drug trade. "International efforts by the United States to control the illegal flow of the chemicals needed to process cocaine must be strengthened. The international leadership of the United States can be used to promote the adoption of stronger measures on export controls in the FRG, Brazil, and East Europe. The same applies for Israel, Korea, South Africa, and other countries regarding the illegal trafficking of weapons."

All of the aforementioned, together with requests for $1 billion under extraordinary conditions and remarks by Justice Minister Jaime Giraldo Angel—on the need to again make extradition an instrument for multilateral cooperation through an international court to prosecute crimes like drug trafficking and terrorism—would show that although the demands are not new (they represent the current postulates of the Cartagena summit). What is new is the decision to demand more effective support at crucial moments before becoming involved in a war that we would be left to fight alone.

Minister Says Escobar Would Get 20 Years

PA0909032190 Mexico City NOTIMEX in Spanish 2302 GMT 6 Sep 90

[Text] Bogota, 6 Sep (NOTIMEX)—Justice Minister Jaime Giraldo Angel said today that if drug trafficker Pablo Escobar turns himself in—taking advantage of the new government policy—he would be condemned to a maximum of 20 years in prison.

The minister explained that the maximum sentence is 30 years in prison, but for those who turn themselves in, confess their crimes, and cooperate by giving information to resolve other cases, could have their sentences reduced 10 to 15 years. Giraldo Angel stressed: "The maximum sentence cannot be more than 30 years."

Giraldo Angel stated that even if the head of the Cali Cartel, Gilberto Rodriguez—without any apparent charges pending against him in Colombia, but rather in the United States—confessed to all his crimes abroad, "he would not be extradited—that is a guarantee." "He would be tried here, by Colombian judges," the minister said.

President Cesar Gaviria yesterday issued a decree whereby judges are authorized to negotiate with drug traffickers, terrorists, and members of paramilitary groups who turn themselves in to the authorities.

The minister of justice in a news conference also said that the three alleged drug traffickers—whose extradition was denied by the Ministry of Justice—could be set free in the coming weeks.

The extraditions of Guido Buchelli—who allegedly had imported heroin into the United States—Manuel Garces, and Rodolfo Donado were sought by U.S. authorities, but the charges against them "did not merit extradition," the minister said.

Giraldo Angel does not believe that the Gaviria decree to negotiate sentences should be considered capitulation by either side, but rather a historical event of goodwill to attain peace in the nation. "If the criminals do not turn themselves in, this would mean continuing a futile, fruitless, and pseudo war.

Justice Minister Giraldo Discusses Decrees

PA0909003690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 6 Sep 90

[Telephone interview with Justice Minister Jaime Giraldo by unidentified reporter;—live; monitored in progress]

[Text] [Reporter].... therefore, we can say that this was a sovereign act by the Colombian Government?

[Giraldo] Yes indeed, and sovereign in every sense. We did not seek, request, or seek to obtain consent from anyone abroad or inside the country. The Colombian Government adopted this measure with total autonomy. We believe that it was the best way to create an opening toward restoring peace.

[Reporter] Can it then be interpreted that arrested drug traffickers who do not take advantage of this law and whose extradition is requested by the United States will necessarily be extradited?

[Giraldo] Of course. Laws must be enforced. There is a decree, and ignoring it would be a violation of the law. That is why another decree was issued under different conditions, and I must apply one or the other. I simply abide by the law. I cannot decide whether a law should be applied or not.

[Reporter] Mr. Minister, there has already been a specific case of someone who has even said that he is willing to distribute his property among the poor. We are referring to Fidel Castano. Does the government have any mechanism that will enable Castano to do what he has promised?

[Giraldo] The decree provides the mechanism for him or any other person. Individuals must turn themselves in to the authorities. Our main objective is to legalize [judicializar] the process. We must ensure respect for the country's legal order. Therefore, Castano or any other person must present himself before a judge, confess all his crimes, and offer to return everything he has obtained through those crimes.

[Reporter] Let us assume that someone has decided to abide by the decree and voluntarily turns himself in to the authorities. However, at the time he decides to confess his crimes to a penal judge, he has weapons and explosives in his possession. What should he do with them, according to the decree?

[Giraldo] He must deliver them to the same authorities to whom he confesses. If for some reason he does not deliver the weapons because he fears that he could be caught red-handed or his plans could be frustrated, he should give specific information to the authorities that would lead to the recovery of those weapons. In any event, he must deliver any weapons he may possess or which he may have used to commit his crimes.

[Reporter] Does any government official have a hint or any specific information on any drug trafficker who may have expressed his willingness to turn himself in to the authorities so as to be judged in Colombia?

[Giraldo] No, I do not believe so. The decree was handled very discreetly while the policy was being formulated, so I do not think anyone had any knowledge of it until last night, when the president publicly announced it. We hope that over the next few days, as it becomes better known, people will begin to avail themselves of the rights contained in the decree.

[Reporter] How will properties be handled? We understand that there is an organization that has inventoried confiscated properties. Have you considered mechanisms for that?

[Giraldo] Yes. Any properties that a person confesses have been instruments in a crime or obtained through crime will be handed over to the antidrug unit. Once the court has so ruled, such properties will be confiscated in the name of the state and turned over to the appropriate authorities.

[Reporter] Mr. Minister, is it true that in this draft bill of amendments, which updates and overturns justice in this country, that the public order courts will be eliminated and 115 specialized courts will be created?

[Giraldo] They are not being eliminated, they are being integrated. At this moment, the jurisdiction is [word indistinct]. While there are the public order courts to deal with terrorism, there are also the specialized courts to deal with drug trafficking. The problem is that the specialized courts are regular courts. Consequently, the first appeal trials are conducted by all the courts of the country. This has created a very delicate problem in protecting judges. You may note that most of the judges and magistrates who have been sacrificed have been of regular, not public courts. Therefore, the courts will be integrated into a single corps and will deal with both terrorism and drug trafficking. This will allow them to be provided with more adequate protection.

[Reporter] Mr. Minister, the slogan of the extraditables has always been: We prefer a tomb in Colombia to a prison in the United States. Do you offer them something better than a tomb? Have you weighed the consequences of that offer?

[Giraldo] Yes, of course. That is a policy that has been pondered and has much matured. The president and the government have been consulted on this, and it comes at a very timely moment. No one is exerting pressure and no one is demanding anything. This allows us the opportunity, so that in an act of sovereignty, of political will by the government, all sectors—not just the drug traffickers, but the self-defense groups, the paramilitary, and all those who fall within the statute of terrorism or the statute of drug trafficking, anyone who has been involved in this war of pain and tragedy—can take advantage of an act of faith in Colombian justice and surrender; we guarantee that they will be tried justly and equitably. They will benefit from reductions in their sentences. They are guaranteed not to be extradited. Let us see if a horizon of peace again becomes visible in our country.

[Reporter] Mr. Minister, thank you for your statements, after such significant, such important measures as those that were adopted last night.

[Giraldo] Thank you. You are very kind.

Details of National Security Plan Disclosed

PA1009014590 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 9 Sep 90

[Text] The first details of the new security plan to be implemented by President Gaviria and the military high command were learned during the funeral of Colonel Ramon Alonso Obispo Hernandez, press chief for the National Police.

President Cesar Gaviria's national security plan has been launched. The government hopes to attain peace with the establishment of military bases in the Middle Magdalena area, new tactics to cope with the narcoterrorists, new decrees on the state of siege, the rehabilitation of Medellin, and the dismantling of the self-defense and paramilitary groups, as well as the establishment of the National Security Office.

The National Police also announced during the funeral of Col. Ramon Alonso Obispo Hernandez—the press and information chief of the National Police who was murdered in Bogota—that it will increase the number of troops and add new training courses. All of these measures will complement the security plan.

[Begin recording] [National Police Director Miguel Antonio Gomez] During the most recent meeting held with department heads, the National Police decided to modify some police regulations, which will be announced in due time. [end recording]

Government Seeks Funding of Antidrug War

PA1109033390 Madrid EFE in Spanish 2335 GMT 10 Sep 90

[Text] Bogota, 10 Sep (EFE)—The Colombian Government today reiterated its request that the international community share the cost of the struggle against drug trafficking and demanded access for national products to

the U.S. and European Economic Community (EEC) markets under advantageous conditions.

Colombian Foreign Minister Luis Fernando Jaramillo said that just as U.S. President George Bush is touring Europe and the Persian Gulf countries to get them to subsidize the war [la guerra], Colombia is also requesting that the cost of the war against drug traffickers be shared by the international community.

We basically request access to the markets in the United States and the EEC, under unrestricted terms and with the elimination of tariffs that make our products more costly in those markets, Jaramillo stated at a news conference at the San Carlos Palace, which houses the Foreign Ministry.

After referring to the weekend summit between U.S. President Bush and his Soviet colleague Mikhail Gorbachev, Jaramillo said that Colombia has been very clear about the Iraq-Kuwait conflict from its seat in the UN Security Council.

He noted that in that organization, Colombia expressed support for the resolutions condemning the Iraqi invasion of Kuwait last 2 August and responded by increasing its oil production to the extent of its capacity.

Of course, it is most unlikely that our country can participate in that war with economic aid or troops, the foreign minister stated.

Jaramillo noted that the Colombian Government is studying several bilateral issues with the United States, but not necessarily those related to bilateral trade between the two countries.

According to the foreign minister, there are topics to be discussed within the framework of the Andean initiative that are basically related to the compensation Colombia will seek from the United States and the rest of the industrialized countries for its permanent and courageous actions in the struggle against drug trafficking and that involve special conditions for Colombian products.

The Colombian foreign minister said that the U.S.-Colombian bilateral trade commission will meet this coming October in Washington to discuss pending matters on trade.

Correction to Cartels Willing To Surrender

PA0709123990

The following correction pertains to the item headlined "Drug Cartels Reportedly Willing To Surrender," published in the 7 September Latin America DAILY REPORT, page 37:

Page 37, column two, paragraph six, only sentence make read: ...are considering surrendering if their lives are respected and they are permitted the right to defense [defensa]. They are also considering the implications of the return of their capital to the country. (rewording)

* Constituent Assembly Agenda Proposed

* 'Text' of Gaviria's Proposal

90SM0224A Bogota EL TIEMPO in Spanish 30 Jul 90 p 12-a

[Text] The following is the text of the 10-point proposal that President-elect Cesar Gaviria Trujillo has issued for the agenda of the Constituent Assembly.

The document is being used as the basis of the discussions among the political forces, from whose consensus will emerge a final agreement, probably today. The proposal is accompanied by a letter from the president-elect to political leaders.

Attached to this letter is a list of the specific reforms that elaborate on the issues mentioned below. In drawing it up, besides including our own ideas, we tried to embody some of the proposals of various political and social groups. This does not mean, however, that we must all agree with them or that the Assembly must unavoidably make a decision on each of them.

1. Congress 2. Justice and the Public Ministry 3. Public administration 4. Human rights 5. Political parties and opposition 6. Departmental and municipal system 7. Mechanisms for participation 8. State of siege 9. Economic issues 10. Fiscal oversight

The desire for change that the citizenry expressed both on 11 March and 27 May commits the president of the republic to take the lead in educating the nation on the reform. This is an opportune moment to bring this discussion to a forum other than the traditional one, a forum based this time on grassroots involvement. This should enable the Colombian people to familiarize themselves with their Constitution and grasp the need to reform it. It should allow them to discover that institutional modernization has a great deal to do with satisfying the desires for change and renewal. It should also make it possible for the average Colombian citizen of the 1990's to feel that he is involved in beginning a process whose implementation ultimately depends not just on the modification of a rough draft of laws, but rather on a change in the citizenry's attitude towards the challenges posed by a legitimate, working democracy that provides essential public services.

In conclusion, we must not forget that the Constitution that we are going to reform has an age-old tradition. This is perhaps the source of its main virtues and its principal shortcomings. In reforming it we must take care to preserve what has worked, that which has enabled the Colombian nation to traverse this century and overcome serious difficulties. But let us also attempt, in reforming it, to interpret with imagination the mandate for renewal and the desire for change. The nation has started down a path of hope, and I feel that it is my duty to continue along this path in building the future that Colombians deserve.

1. Congress

1.1. Stipulate certain functional differences between the two chambers, such as giving the Senate the power to ratify international treaties and the House the power to examine, debate, and pass the budget.

1.2. Establish the national [electoral] district for minority political groups or movements and as a mechanism for the representation of national interests.

1.3. Sessions

—Autonomy for Congress with regard to sessions, so that it can meet in its own right under bylaws.

—Extend the regular session.

—Special sessions for political oversight or to hear matters related to planning and the national budget.

1.4. Committees

—Additional powers for the standing committees

—Enable bylaws to govern the meetings of the committees during the congressional recess.

—Power to subpoena individuals or corporations at special hearings to address or intervene in matters of national importance.

—Establish new mechanisms that will streamline sessions and deliberations.

—Establish a Legislative Committee in charge of addressing matters involving political oversight during the congressional recess.

1.5. Revise the systems for electing the Comptroller General of the Republic and the nation's Attorney General to make them more democratic and transparent.

1.6. Powers of Congress

—Revise the distribution of legislative jurisdictions between the Executive and Legislative branches.

—Strengthen congressional involvement in planning and the national budget, so as to expand its initiative and insure that these processes are public, deliberative, and transparent.

—Establish limits on the granting of special powers and mechanisms for overseeing whatever decree-laws are issued in exercise of said powers.

1.7. Legislative Procedures

—Expand the legislative initiative to the citizens and to the Judicial Branch of government.

—Regulate the initiative of legislators in matters having to do with finances, without detriment to the administration's spending initiative, and consequently, the abolition of the 'parliamentary aids' [auxilios parliamentarios].

—Revise the section on the drafting of laws, and grant legislators the power to regulate certain areas.

1.8. Strengthen the political oversight of Congress.

—Possibility of abolishing some of the bans on Congress that have thwarted the effective exercise of political oversight.

—Possibility of revising the procedures that entail a political accountability of senior officials to Congress.

—Possibility of establishing motions of objection and censure.

1.9. Legislators Statute

—Rules for disqualifications and conflicts of interest.

—Accountability of legislators by stipulating specific grounds and procedures for loss of seat.

—Revise the system of congressional immunity and the system of prosecuting legislators.

—Abolish or restrict the system of alternates for permanent absences and for certain temporary absences.

—Regulations for the system of overseas commissions.

1.10. Possibility of revising the system for electing the members of Congress.

2. Justice and the Public Ministry

2.1. Possibility of furnishing the Judicial Branch and the Public Ministry the legal instruments needed to cope with terrorism and widespread violence, allowing the law to regulate such mechanisms as plea bargaining for effective cooperation, judicial pardon, more than one judge, protection of the identity of judges and witnesses, rewards, and a significant stiffening of penalties. Also, develop special regulations for the battle against terrorism, with the possibility of indicating what constitutional rights can be suspended.

2.2. Establish the foundations of the accusatory system, through the Office of the Attorney General of the Nation or other alternative systems.

2.3. Strengthen the constitutional instruments available to the Executive Branch, specifying its mandate to see to the prompt and proper administration of justice.

2.4. Functions of the Executive Branch

—Possibility of placing the Directorate of Criminal Investigation under the Executive Branch, so that this activity is no longer exclusively judicial in nature.

—Revise the procedures for granting pardons for political crimes.

2.5. Participation of the community in the formation, organization, and operation of the Administration of

Justice through institutions such as the "Justices of the Peace," and the possibility of electing some kinds of judges by popular vote.

2.6. Enshrine the principle of democratized access to justice and delegate by law the power to determine the cases in which citizens require professional representation and the way to assure the effective application of this principle.

2.7. Constitutional recognition that the proceedings conducted by administrative agencies or police authorities to impose sanctions must respect due process and other constitutional guarantees and, therefore, have value as evidence before judges.

2.8. Amend Article 7 of the Constitution concerning the territorial division of the administration of justice, and the possibility of making the structure of the branch more flexible.

2.9. Regulate the following matters by law:

—Appointment of offices

—Powers, terms, penalties of officials, among others.

2.10. Transfer jurisdictions from the Legislative to the Executive or Judicial Branch so that the organization and operations of the Judicial Branch can be regulated on the basis of "Framework Laws."

2.11. Mechanisms to assure the autonomy of the branch:

—Creation of management and administrative agencies.

—Exercise of regulatory powers in matters relating to administrative organization.

—Handling of the budget.

—Administration of the judicial career.

2.12. Public Ministry

—Decentralization of the Public Ministry

—New powers to insure the protection of human rights, the exercise of disciplinary powers, and the defense of collective interests.

—Possibility that the attorney general and the highest disciplinary body of the Judicial Branch can impose disciplinary sanctions directly, pursuant to the principle of "known truth and safeguarded good faith," in order to preserve morality in the exercise of public office.

3. Public Administration

3.1. Democratize public administration to allow interested parties to voice objections to certain general administrative decisions before they are made, without detriment to the decision-making autonomy of public administration.

3.2. Grant the administration the power to create, merge, modify, and abolish certain public agencies.

3.3. Possibility of creating new types of public agencies other than those specified in the Constitution.

3.4. Administration oversight of the creation, modification, and abolition of second-level public agencies.

3.5. Grant the administration the civil-service-related powers that now belong to Congress, except those designed to guarantee the administrative-career system.

3.6. Authorize officials below the rank of president, minister, administrative-department chief, and governor to enter into contracts, while establishing a special system of accountability.

4. Human Rights

4.1. Complement section three of the Constitution by expressing enshrining new political, economic, social, and cultural rights, expanding existing ones, and setting forth specific rights and duties of citizens and society.

4.2. Strengthen the Office of Attorney General of the Nation to guarantee human rights, or create other institutions to safeguard them.

4.3. Possibility of indicating certain human rights that must be protected immediately without the need for legal regulations.

4.4. Establish the "amparo" appeal for the direct and timely protection of constitutional rights in specific cases.

4.5. The obligation of officials and private persons to observe these rights, and the setting of penalties.

4.6. Extend the scope of the principle whereby the public or social interest prevails over private interest as the guiding criterion for interpreting the laws on rights, as was enshrined in the case of property in the Constitution of 1886.

4.7. Expressly enshrine the right to life and to personal integrity, and provide for their development in the law, bearing in mind, among other things, the advances in science and technology and while showing respect for human dignity.

5. Political Parties and Opposition

5.1. Institutionalize the political parties

5.2. Possibility of regulating the financing of parties and election campaigns and the way in which the management of their funds can be monitored, by allowing total or partial government financing.

5.3. Remove the Article 120 paragraph and adopt a statute for opposition activities. Political-party rights in the area of access to information and to the state-run mass media, including the right of reply, civil-service

career in regional agencies, and involvement in oversight, watchdog, and monitoring agencies.

5.4. Obligatory democratization of political parties. Involvement of the citizenry in candidate selection, in the approval of programs and bylaws, and in monitoring the management of party funds.

6. Department and Municipal System

6.1. Revise the functions of governors, departmental assemblies, mayors, and municipal councilmen in order to intensify the process of decentralization without affecting the political division of the country.

6.2. Set the term of mayors by law.

6.3. Possibility of having the law regulate the recall of mayors.

6.4. Possibility of electing governors by popular vote.

6.5. Arrange for the involvement of the community in drawing up local programs, and see to it that such programs reflect regional and national plans and programs.

6.6. Possibility of establishing municipal and departmental fiscal sovereignty, while specifying its limits.

6.7. Have the law define the rules for departmental and municipal fiscal oversight, the rules for sessions of the departmental assemblies, and the existing rules for transfers under the category of the "fiscal subsidy," as well as the criteria for establishing various categories of municipalities.

6.8. Authorize the creation of clubs to campaign for councilmen in the major cities.

6.9. Possibility of authorizing the mayors of the major cities to delegate administrative, budgetary, and police functions to other officials.

6.10. Authorize departments to create "provinces" as geographic districts for the provision of the services for which they are responsible.

6.11. Enshrine the principle under which aside from the general division of the country other divisions may be established for the provision of the various public services.

7. Mechanisms of Participation

7.1. Enshrine the general principle of citizen involvement in the political, economic, social, administrative, and cultural life of the nation.

7.2. Enshrine popular sovereignty.

7.3. Possibility of providing for and regulating referendums both for issues of national importance and for constitutional reforms.

7.4. Provide for and regulate the ballot initiative for the introduction of bills and proposed constitutional reforms.

7.5. Enshrine the principle of the democratization of unions and associations to allow their affiliates to become involved in selecting their officers, in overseeing the management of their funds, and in adopting fundamental policies.

7.6. New forms of cooperation between labor and management.

7.7. Stipulate the obligation to vote, or expressly authorize legislators to so stipulate, with the exceptions set by law, and establish a code of incentives and penalties.

7.8. Regulate alternative methods of constitutional reform: Legislative Act passed by Congress, Referendum, and Constitutional Assembly.

8. State of Siege

8.1. Modifications of Article 121 of the Constitution.

—Specify its temporary nature, and the possibility of revoking it.

—Establish an incremental approach in dealing with the variety of public order disturbances.

—Specify the rights and guarantees that will not be subject to modification under a state of siege.

—Determine precisely which rights and guarantees may be restricted and suspended.

—The right of Congress or the Legislative Committee to meet of its own accord.

—Obligatory report on the causes and scope of the measures, and the obligation of Congress or the Legislative Committee to pass judgment on the report.

—Preserve the automatic monitoring of constitutionality.

—Bolster the activities of the Attorney General's Office to defend human rights.

—Make human-rights legislation more similar to humanitarian international law.

8.2. Revise Article 28, and provide for the immediate intervention of the nation's attorney general in the event that it is invoked.

9. Economic Issues.

9.1. Reform the laws on economic planning so that Congress can be granted powers that will insure its effective involvement in debating the policies formulated by the administration, in making the investment decisions entailed in the development plan, and in the planning agencies. Allow various economic and social

sectors to participate in this process in order to foster public discussion of these issues.

9.2. Eliminate the restrictions that prevent the administration from submitting the entire government-spending and -revenue budget to Congress and that prevent Congress from examining it in detail.

9.3. Establish principles that will allow for both the democratization of ownership and the adoption of mechanisms to prevent economic concentration and monopolies.

9.4. Enshrine the principle of solidary property.

9.5. Revise the mechanisms of expropriation, so that the expropriation of urban and rural land is allowed through administrative channels.

10. Fiscal Oversight

10.1. Congressional initiative in promoting investigations to exercise fiscal oversight.

10.2. Authorize legislators to establish after-the-fact external and secret oversight.

10.3. Authorize legislators to establish management and balance-sheet oversight by bringing in operational, financial, and systems auditing.

10.4. Give the Comptroller's Office the power to apply penalties.

* Unions Reject Proposal

90SM0224B Bogota EL COLOMBIANO in Spanish 24 Jul 90 p 14-a

[Text] Bogota (Colprensa)—Organized labor has described as exclusionary the procedure proposed by President-elect Cesar Gaviria Trujillo for reforming the country's institutions through a National Constituent Assembly.

The opinions of the labor movement were expressed to Colprensa by authorized spokesmen of the CUT [United Workers Trade Union Federation], CTDC [Confederation of Democratic Workers of Colombia], CTC [Confederation of Colombian Workers], and CGT [General Confederation of Labor], which all rejected the terms of Gaviria's proposal for setting up this new body, which would be in charge of discussing and drafting a constitutional reform.

In the view of the four union federations, President Cesar Gaviria's proposal does not live up to the expectations of the workers, who want to secure broader participation in deciding the makeup of this new legal body.

In the view of the vice president of the CUT, Bertina Calderon, the document that the president-elect made public on Sunday violates the principles of autonomy that the labor federations have set forth in appointing their representatives to the Constituent Assembly.

No Autonomy

Under the new president's proposal, the labor federations would be entitled to two seats in the Assembly, but Gaviria Trujillo would make the final selection of the representatives from a list that they are supposed to submit.

In the judgment of the CUT leader, such a procedure scuttles the possibility of having the federations democratically appoint the labor-movement delegates who would take part in the discussions of the constitutional reform.

Mrs. Calderon felt that union representation in the Assembly is inadequate in number and does not square with how important the working class is in the country.

The vice president of the labor federation said she disagreed with the qualifications that Gaviria has demanded of the members of the National Constituent Assembly, because according to her, they restrict the access of the spokesmen of the unions and of other segments of society, such as students, Indians, and peasant farmers.

In his document the president-elect proposes that the members of the Constituent Assembly have at least five years of professional experience or, failing that, have taught at the university level for three years.

In this regard the CUT spokesperson asserted that his proposal restricts the involvement of organized labor, most of whose leaders do not have the sort of curriculum vitae that the the new administration is demanding in the document.

Three Requirements

In her opinion, the only qualifications that should be demanded of the members of the Constituent Assembly is that they be Colombians, be more than 16 years old, and know how to read and write.

The labor leader said that the selection system outlined by Gaviria "leaves the Constituent Assembly in the hands of a select group of intellectuals and denies the democratic, grassroots, and autonomous character of the Assembly."

After asserting that the number of members that the Assembly may eventually have is not what organized labor objects to most, the CUT vice president described as "inconsequential" the involvement of social forces.

In this regard she expressed her fear that this situation could make it easier for the traditional political parties to "take over" a body that is of fundamental importance for achieving peace and modernizing the country's institutions.

Bertina Calderon reaffirmed that in spite of the proposal the labor federations remain determined to persuade the incoming administration to reconsider its initial position and to broaden the participation of social forces.

She asserted that accordingly the four federations still want the makeup and agenda of the Assembly to be worked out under a political and social accord prior to the seating of the Constituent Assembly.

She clarified that so far the labor federations have not considered the possibility of boycotting the Assembly and that a decision in this regard would be looked into more thoroughly this coming 28 July.

Elitist Conditions

The secretary general of the CTDC, Alfonso Vargas Tovar, took a similar stand, although he voiced an interest in taking part in the discussions of the Constituent Assembly.

Vargas Tovar described as scant the representation that Gaviria's proposal grants social movements, indicating that the conditions demanded of its members are elitist.

He asserted, nonetheless, that the nationwide district that the document envisions for electing the members of the Assembly makes access easier for minor forces, even though their assigned representation is smaller than that accorded to the political forces.

The presidents of the CGT, Julio Roberto Gomez Esguerra, and of the CTC, Apecidez Alviz Fernandez, made the same sort of statements.

The former contended that the social forces must be on an equal footing with the political parties in the makeup of the Assembly, but he refrained from confirming or denying a possible boycott of this institutional process.

Alviz Fernandez asserted that the political accord must aim at a consensus on the issues that can be discussed during this body's deliberations.

* Antioquia Groups Protest

90SM0224C Bogota EL COLOMBIANO in Spanish 26 Jul 90 p 6-a

[Article by Fidelia Arboleda de Angel]

[Text] The fact that just 50 people will be delegates to the National Constituent Assembly threatens its democratic nature. It is headed towards demagoguery in certain respects. It has too many shortcomings, because it limits the involvement of the country's social sectors and is elitist in makeup.

This is the view of representatives of professional associations, who urged that the number of delegates be increased to between at least 100 and 150, whereas the ANUC [National Association of Rural Land Users] feels that there should be 300, a minimum of half of them from the social forces.

Discussing the issue were Jaime Carmona Fonseca, the president of the AMDA [Medical Association of Antioquia]; Marco Aurelio Ossa, the representative of UTRAN [Union of Workers of Antioquia], and Ana de Rodriguez, from the ANUC.

The president of the AMDA, Jaime Carmona Fonseca, stated for his own part that the small number of delegates makes for overly concentrated representation. He disagreed with President Cesar Gaviria's decision to reserve the right "to handpick" a large number of delegates. Both of these features run counter to the very nature of the Constituent Assembly, which is supposed to represent the people and which the people themselves are supposed to choose at the ballot box.

He noted that the idea of a nationwide [electoral] district is a good one. Scuttling the possibility of regional representation, as Gaviria Trujillo has proposed, is the other extreme, however.

This, the health-care professional stated, means that people who are heavily represented regionally but who for reasons of communication or because of the distances themselves are unknown elsewhere in the country will not be elected. Carmona Fonseca cited as an example the Indians from Cauca and Narino, which are major groups that make major contributions to the country but that will not be part of the Constituent Assembly because they cannot afford to conduct a campaign. The AMDA president added that only the wealthy will be able to afford campaigns.

Continuing his analysis, he indicated that the nationwide district has to be combined with regional representation. "There are leaders who are known from the Guajira [peninsula] to Leticia and from Buenaventura to Vichada. In contrast, other regional figures who would have a lot to say and whose presence would be very valuable do not have this national exposure. The number [of delegates] makes the representation elitist."

An Obligation

He expressed concern over the failure to include the political class, as the members of public bodies will not be able to participate in the Assembly. "That's a nice regulation," he said, observing that besides them there are many others who are more heavily involved in politics and who do not belong to these bodies. What are they trying to do by saying that the members of the bodies must not take part? Sideline the politicians? That is a mistake, he said, commenting that politicians are the ones who govern in all countries, not scientists. There is no reason to lie to oneself, he indicated, reaffirming that politicians have a duty, not just a right, to participate in the Constituent Assembly. If they are excluded, no one will be able to say that the Constituent Assembly represents the entire country, and it would thus make no sense.

The aim of the proposal, in his view, is to lock out the representatives or leaders of social groups. Labor leaders, for example, will not be in attendance.

Asserting that there is no reason to disqualify them, he then asked: If labor leaders are not going to be there, who is going to represent the blue-collar workers, the white-collar workers, the teachers, and the Indians? He went on to say that the country's ruling and political class has a great many cards to play. He underscored that Gaviria Trujillo's proposal is clearly an attempt to lock out the low-income segment's finest representatives.

Higher Number

In order to give the low-income segment a chance the president of the AMDA suggested expanding the number to between 130 and 150 so that more segments could be involved.

The nationwide district must be combined with regional representation.

He also indicated that it is not fair either for the president to handpick delegates. In this regard he said that those who wish to sit in the Assembly ought to run in a popular election. In other words, there should be no privileges. The aim of all these points is to have all social forces represented and not to hamper them in choosing their representatives.

The six month deadline is fine.

Government employees should not be disqualified either, since a great many members of labor movements and a great many professors are government employees and would thus be locked out.

Elitist

Marco Aurelio Ossa, a representative of UTRAN, stated that the 50 members proposed by Gaviria is a very small number, and he urged that the president rethink his proposal and boost the number of representatives to 100. He feels that otherwise the social forces, that is to say, the workers and the representatives of the people in general, will have practically no presence.

President Gaviria Trujillo's proposal caused concern in some sectors because "with 50 members there may be an elitist Constituent Assembly in which the government and the grassroots will not be represented, which is what the new body was for and which was the sense of the five million of us Colombians who voted for a Constituent Assembly."

As a union member he suggested that the president-elect and his team of advisers reconsider the number of participants, which should be between 100 and 120.

Marco Aurelio Ossa feels that it would not be too much to demand one representative for each labor confederation, if we bear in mind that there are four of them. He reported that some had already chosen representatives to the Constituent Assembly at their congresses, there having initially been talk of 300 or 400 representatives.

Besides organized labor, there are other social forces, such as the communes and the cooperatives, that are also calling for delegates.

In conclusion, the labor leader remarked that it was a very grave matter for the low-income sector not to have delegates. The Constituent Assembly will make no sense this way.

In that case it would be better for the Congress of the Republic to continue on with all of the whims, inconsistencies, and vices that the country is already familiar with and disapproves of. "We want a Constituent Assembly that takes positive actions for the benefit of the people."

A New Constitution

Ana de Rodriguez, the executive secretary of the ANUC, indicated that the peasant farmers have asked for a 300-member National Assembly. The social forces must account for at least half of these members.

There must not be fewer total members than members of Congress. Only in this way will the people be able to come to terms on actions that will benefit them.

They must be elected through the nationwide district so that the masses are involved. Senators, representatives, deputies, and councilmen who are currently in office or who were during the immediately preceding term should not be eligible to serve as delegates to the Assembly.

Another proposal is to have the Assembly draft a new constitution. "The aim here is not a patch job but a new constitution that sets a limit on property and on assets and the means of production. Rural property should not be larger than four family-farm units. Government should guarantee the development of the country's structures. Coastal and border zones, as well as natural resources in the soil and subsoil, should not be handed over to or made use of by foreigners or corporations in which foreigners are partners. And individuals or corporations should not be allowed to develop idle coastal lands without the prior approval of the local peasant-farmer organizations."

* Government, Insurgent Peace Talks Assessed

* Ranchers Doubt EPL Motives

90SM0227A Bogota EL TIEMPO in Spanish
4 Aug 90 p 11-a

[Text] The cattle ranchers of Cordoba, in a memorandum sent to the minister of government, expressed their doubts regarding the sincerity of the subversives, particularly the Popular Liberation Army (EPL) in the peace process being carried out with the government in Cordoba and Uraba.

As proof of their concern, they made public a list of 17 persons who remain kidnapped and a long series of acts of violence which are not in keeping with the objective of peace expressed by the EPL.

They said that in Cordoba, where the rebellion originated, the insurgents have been engaged in robbery, extortion, and blackmail for exclusively economic purposes.

In connection with the peace process now going forward they told members of the Cordoba Ranchers' Association (GANACOR) that the commitments being made by each side should be clearly understood. They said that the presence of the government in areas where the subversives are operating not only should be maintained but rather increased, in order to control continuing acts of violence.

According to information available to GANACOR, the persons who continue to be held by EPL kidnappers include: Silgado Buelvas; Alfonso Isidro Castano; Ramiro and Simon Calonge, brothers; Alberto Hernandez Villalba; Nemesio Nader; Aura Isabel Silgado; Alfredo Chejne Nader; Horacio Madrid; Genaro Calderon Ramos; Alfredo Hernandez Ramos; Luis Manuel Garcia Lopez; Eduardo Antonio Camacho; Aquilino Gonzalez, Jr; Camilo de la Ossa Nader; Joaquin Yepez Roguez; and Nicolas Angulo.

The members of the association also denounced the fact that, after the dialogue between the two sides began, the following incidents occurred; Antonio de Vivero and Alcides Diaz were taken away from Montelibano; 122 calves were stolen from Hernan Palacios from his ranches, "La Primavera" and "El Crucero" on 25 June in the La Toyosa area. On 10 July members of the EPL turned up at a ranch in the Canalete area and demanded that its owners provide a considerable quantity of uniforms and boots.

In the Puya area they stole a Jeep WAZ vehicle from Manuel Roldan. They took away an undetermined number of cattle from the "La Reforma" ranch and killed the administrator. In Anclar (in Sahagun) they burned the ranch of Miguel Arango. On "El Chinchorro" ranch they subjected its residents to extortion and blackmail.

On "Pascaballos" ranch (in Alto Sinu) they ordered the workers out of their homes and demanded a sum of 20 million pesos. On "Cedronales" ranch (in Tierralta) they extorted 30 million pesos from the owners. They demanded 20 million pesos from the owners of "El Brillante" ranch.

They stole 23 calves from Antonio Kerguelen in the Alto Sinu area. In Planeta Rica they stole 60 calves from Alfonso Sierra. They carried off 60 cattle from the ranch of Efrain Kerguelen, in the Las Palomas region of Monteria. They stole 12 cattle and 14 calves from the Cordero Negrete brothers in Tinas (kilometer 19 on the road to Planeta Rica). In the Popayan area a group under the command of "Fader" continues to operate, while in the Sapindonga area, bordering on Antioquia, another group under the command of "Celedonio" is operating.

* Self-Defense Groups' Views

90SM0227B Bogota CROMOS in Spanish 30 Jul 90 pp 19-21

[Article by Eduardo Marquez G; article written one week before the inauguration of Dr. Cesar Gaviria and his administration]

[Excerpt] Only a few weeks after the end of his period in office President Barco and his advisers are engaged in leaving behind several peace processes in coherent form. This is not only a matter of dealing with the guerrillas but with self-defense groups with whom contacts were already under way. This will be a long road, for there are many difficulties in the way.

Reinaldo Gary, presidential peace adviser, said: "Everything seems to indicate that we are living through a process in which hope and a dream are taking shape and that we are leaving the horrible night of violence." He spoke at an event which was unthinkable a few months before: "The First Forum for Peace and Reconciliation Between People," held in Puerto Boyaca, in the Boyaca area of Magdalena Medio.

However, even more unthinkable was the meeting of the group of those who proposed holding the forum. Seated at the same table were General Fernando Landazabal and Otty Patino, the deputy leader of the M-19 movement, former adversaries in the field. Also present as specially invited guests were Marcos Chalita, former commander of the rebel group in Huila, and Hector Polania, a conservative senator for the same department. Until a short while ago not even the boldest would have proposed a meeting between the two men, for their enmity was well known.

The hosts of the forum were Gustavo Londono, mayor of Puerto Boyaca, and Ivan Duque, senator-elect for this area, which was recently convulsed by sharp clashes between self-defense groups and units of the FARC [Revolutionary Armed Forces of Colombia]. They invited the minister of government and all of the mayors in Boyaca to this meeting with a single objective: defining a peace plan for the area. If this plan is approved by the president, it would have two, basic tracks. These include the disarming of the Farmers' Self-Defense Movement of Colombia and the social, economic, and military presence of the government in the Magdalena Medio area.

What Do the Self-Defense Groups Want?

"The self-defense groups should receive political treatment similar to what the government has extended to the guerrilla movement." This proposal was approved on 21-22 July during the peace forum. This was stated by

those who consider a negotiated, peaceful solution in the Magdalena Medio area to be viable.

There is no doubt that the way in which self-defense groups are to be reinstated in civilian life was the critical point in the discussions at the peace forum. Government representatives (peace adviser Reinaldo Gary and Jose Noe Rios, deputy minister of government) did not participate in these discussions, since they were only at the meeting for one and a half hours.

In that connection, a memorandum sent by the general staff of the self-defense groups to Minister of Government Serpa Uribe raised with the administration of President Barco the following concern: "Standards, decrees, and laws were promulgated to create the self-defense organization. Now the government states that it cannot find a legal precedent to deal with the status of thousands of men who, at the request of the same government, took part in the fighting. If the government had the ability to resolve incredibly complex problems involving those who have always been its enemies, it must have still greater ability to resolve the problems of those who are its unquestioned friends and allies."

Everyone hoped that at the peace forum there would be a response from the government. However, the deputy minister limited himself to reading a document sent by Minister of Government Serpa, in which the minister expressed his regrets that he had been unable to attend and outlined some general thoughts on peace in Colombia.

And it was specifically the absence of definitions which left two questions floating in the air. If it is true that these self-defense groups were established by the Colombian Army, as members of the self-defense groups state, why does the government not provide an answer which would imply a decent way out for nearly 5,000 armed men who are operating in the middle of Colombia? And if this statement is not correct, why does the government decline to say so? The circumstances require clear answers, urgently. [passage omitted]

General Fernando Landazabal Reyes

General Fernando Landazabal Reyes made the following comment: "One of the factors which feeds the violence is the absence of the state. Therefore, I propose the establishment of the Departments of the Magdalena Medio, Uraba, and Pacifico. In that way the state would have an effective presence and unity in its attitude. With the Constituent Assembly in existence we can reform the political and administrative organization of the state and how it functions.

"The self-defense groups were established with the authority of the state in order to support the Army. Those groups operated within the law. They must be given at least the same treatment as that given to the subversives. However, first of all, the state must guarantee security and peace for the people. If it does not do so, the guerrilla movements will return and take over the country. If the country disarms the self-defense groups which are protecting constitutional law and order and leaves the guerrilla groups armed, then later on it should not complain. In Bogota there are self-defense groups everywhere. Some of them are dressed in gray, while others are dressed in brown. Why should we deny to the farmer that legitimate, human right of protecting himself? These people have the goal of keeping peace in their area. This is a liberal region, and what now exists is extremely liberal."

Comments by Otty Patino

Otty Patino, former commander of the M-19 Movement, said: "Peace is breaking down borders which seemed impenetrable. Our presence here proves this. This forum is the clearest sign that peace is on the offensive. I have the impression that people here do not want to adopt proposals coming from the Right. Of course, they do not want to adopt proposals coming from the Left, either. They are looking for new pathways.

"Some self-defense groups are not very clearly distinguishable from paramilitary groups. Others act in a responsible way. These people will soon be illegal by virtue of a government decree, but the government did not complete the process of declaring them illegal. This was a shameful decree by the state after it encouraged their formation. The excesses of the guerrilla war here were clearly to be seen. The general staff took Franco and split the front. As a result bandit activity by the FARC [Revolutionary Armed Forces of Colombia] expanded, but politically this began to work against it, and men like Pablo Guarin appeared. The economy of the area was becoming exhausted. Then there was a reaction by the people. The alternatives were to pay extortionate demands, join the guerrillas, or leave the area."

Comments by Hector Polania

Hector Polania, Social Conservative Party senator from Huila, said: "I agree that all persons bearing arms, with the exception of the state security forces, should lay down their weapons and return to civil life. What I do not understand is why, when the leaders of the M-19 Movement receive honors, which are surely well deserved, and money in compensation, the leaders of the self-defense groups must continue to lead a clandestine life.

"The government's answer does not seem very ingenious to say the least, reflecting scruples impossible to understand. I do not understand why there is not a greater effort being made involving groups organized under the law. It cannot be denied that some of these self-defense groups may have been infiltrated by criminals associated with narcotics trafficking. However, official institutions of the state have also been infiltrated.

"In Huila there are self-defense groups which came out of the FARC, and I have had occasion to protect them in Congress. I challenge any Colombian to cite a single crime committed by these groups. Where there is no

involvement in the narcotics traffic or criminal involvement which has perverted them, the self-defense groups are a good solution for the problems which Colombia is suffering from."

Ivan Roberto Duque, Spokesman of the Self-Defense Movement

[EL TIEMPO] What is your opinion of the peace forum?

[Duque] It was a complete success, with the exception of the weak spot left by the government's clear lack of interest. Government figures only took part for half an hour. They showed that the only thing which interests them is the peace proposed by the guerrillas.

[EL TIEMPO] The government says that the self-defense groups have no political character.

[Duque] The government armed them, sponsored them, and organized them to defend themselves against political and military aggression by the guerrillas. If that was a kind of foreign aggression, those who responded to it must have a political and military spirit.

[EL TIEMPO] Why does the government not accept that argument?

[Duque] Because it was playing the game of the Left, confusing the self-defense groups with paramilitary and criminal groups. If the self-defense groups had devoted themselves to blowing up bridges and oil pipelines, killing soldiers, destroying police posts, attacking banks, kidnapping, and extortion, I am sure that the government would listen to us.

[EL TIEMPO] What are the self-defense groups and what are the paramilitary groups?

[Duque] The self-defense groups were armed by the Army. The paramilitary groups were not. The self-defense groups are citizen militia organizations whose field of operations is limited to the countryside. The paramilitary groups do not stay in one place. The self-defense groups have a clearly political outlook. They support their convictions with an ideological platform. The paramilitary groups have no unity of action. The self-defense groups are a completely structured organization, with clear, hierarchical orders and with clear arrangements for financing themselves.

[EL TIEMPO] General Maza Marquez states that the self-defense groups have been financed by narcotics traffickers.

[Duque] He used to say that. The government no longer speaks of paramilitary groups in the Magdalena Medio area. They have not recently pointed to us as an armed group in the service of the narcotics traffickers. I have clarified the origins and finances of self-defense groups.

[EL TIEMPO] What about the video tape which shows Colonel Klein, the Israeli mercenary, conducting training in the Magdalena Medio area?

[Duque] All armed movements need a stage of training. The FARC was trained in Cuba. Soviet and Libyan instructors came here, and that did not surprise anyone. We recognize that Klein gave military training to the self-defense groups.

[EL TIEMPO] Who financed that training?

[Duque] The cattle ranchers. Later on, Klein left for other areas and went too far in his activities.

[EL TIEMPO] Who brought him to Colombia?

[Duque] The farmers of the Magdalena Medio area have no contacts with consulates or embassies. The answer lies with top figures of the government.

[EL TIEMPO] In the video recording the son of Rodriguez Gacha appears.

[Duque] He certainly took part in Klein's activity, training other self-defense groups.

[EL TIEMPO] How long did Klein train the self-defense groups?

[Duque] About three months. However, he spent about one year in the area.

[EL TIEMPO] How do you define yourself politically?

[Duque] I am a liberal who is trying to rescue the social doctrine of a party which has forgotten the cause of the poor.

[EL TIEMPO] Why do the self-defense groups wish to turn over their arms?

[Duque] Because the Colombian Army should have a monopoly of weapons in the country. Because we have already achieved the military objective of cornering the FARC and shaken off the burden of fighting on six fronts, which were experiencing kidnappings, extortion, exactions, and murder. We wish to have the same position as the M-19 group, seeking to ensure that other guerrilla groups will follow this example or lose their prestige definitively. However, if the government does not establish its military, social, and economic presence here, the self-defense groups will never turn over their rifles.

* Gaviria's 'Closest' Advisers Profiled

90SM0226B Bogota EL TIEMPO in Spanish
5 Aug 90 pp 1-a, 8-a

[Article by EL TIEMPO political editor Roberto Pombo]

[Text] Cesar Gaviria is a solitary man. People who know him well say that very few people have real access to what the next president thinks, and they all agree that if there is one thing he definitely does not share, it is decision making.

For that reason, the old Sanhedrin, well versed in the terminology that worked during Virgilio Barco's presidency, is dead. After 7 August, it will be replaced by a team that will have to forget the days when advisers were supposed to take the blame for a president's decisions.

For Gaviria, his advisers are people who are experts in the fields in which they are going to be called on to provide advice, but that doesn't mean that they will be the ones who will make the decisions.

The number of Cesar Gaviria's advisers—said one of them—reflects only the diversity of issues in which the president takes a strong interest. In no way does it mean that any one of them is going to supplant him when the time comes to make a decision.

Gaviria's team is composed basically of young people, very young people, who know that their role consists of standing behind a president who has shown his desire to be very close to the Colombian people.

There will be many other advisers, but these are the six people who will make up the inner circle in his administration.

Pablo Villegas

His right arm. This 35-year-old economist from Pereira will replace President Barco's great Cerberus, German Montoya. His job, though, will be quite different from that of his predecessor, as Gaviria will be making many of the decisions that Montoya used to make.

"He is the new president's great friend, and a long time ago was his political comrade in Risaralda. In that capacity, he will be the closest man to the president, and the one most trusted. But he knows (and says so) that this friendship will not carry any weight when the president is making decisions during the next four years."

He will take charge of the most important issues of the presidency from the position of secretary general, a job that for Gaviria means the precise tracking of the functions of government agencies, coordinating the work of these agencies, handling tasks for the presidency as an administrative entity, in addition to the political implications of the presidency itself.

Cesar Gaviria has full confidence in his capacity for organization and management, and identifies with him in his positions on economic and political issues. "Gaviria and Villegas," says one of their comrades, "are identical: on the right as economists and on the left in politics."

Luis Fernando Jaramillo

Despite the fact that he was known as an engineer specializing in technical issues, the great surprise for Cesar Gaviria was to find in Luis Fernando Jaramillo a man with an exceptional capacity for political management.

This friendship has grown stronger during the past election campaign, when Gaviria found his forthcoming foreign minister to be a man with strong and unwavering common sense, a man with great openness in raising issues, and a surprising ability to deal with the complicated political situations facing Colombia on all levels.

With such capabilities, Luis Fernando Jaramillo would have been the ideal minister of government for President Gaviria. Nevertheless, placing a full time Gaviria supporter there would not have been the best move to make in the game of chess which the president has to play when setting up his multiparty cabinet, in which different liberal groups will be participating.

For that reason, Gaviria decided to use Jaramillo's great talent—getting results—and his pragmatic and direct style to handle international relations. The future president wants to change the flowery and rhetorical language with which the foreign ministries have communicated in the past for a language better suited to the simplicity of the practical issues, specific issues, most of which are economic in nature, that Gaviria believes shape relations between the nations of the world today.

All this does not mean that Jaramillo will not be a top-ranking adviser to President Gaviria on political issues. Even though he has not been named to handle that portfolio, he is a man to whom Gaviria listens—and will go on listening—with close attention on such issues.

Miguel Silva

There can be no room for doubt that this young, intellectual journalist involved in politics, a man who recites poetry while walking through corridors, and stays up late to read good literature, will be one of the people closest to President Gaviria.

In addition to handling departmental functions, the president's private secretary will handle all matters related to the future chief executive's image. He will be responsible for evaluating the polls that will be done on a regular basis to establish what the people think of the chief executive and of how he is handling his job.

Silva is one of the few advisers to the president of whom it can be said that they were friends before he was a presidential candidate. This status places him among the people who will handle high levels of secrecy within the administration, and for that reason, he may possibly be entrusted with special assignments in matters which, because of their delicate nature, the president can only delegate to a person in whom he has absolute confidence.

Mauricio Vargas

The point of contact between the government and the press will be with this 29-year-old journalist, former editorial director of the publication SEMANA.

For Cesar Gaviria, the government must have a safe and secure point for its dealings with the media, so that the

media can be given first hand, reliable and fast information, while simultaneously receiving the media's impressions on the administration in the most direct manner.

That will be the fundamental responsibility of Mauricio Vargas, whose career as a reporter allows him to handle with ease information on very diverse issues, and gives him easy access to the editorial staffs of the nation's major media. He also possesses a keen political sense which the president-elect greatly appreciates in the person who will serve as communications adviser in his administration.

If Gaviria decides to appoint an official presidential spokesperson, someone to whom the press can come at any time to obtain offficial information, that person will be Mauricio Vargas.

As Vargas will be the person who evaluates the communications sector, it is quite possible that he may be act outside official organizations in this field.

The Vargas-Silva team is going to be found operating quite frequently in the field of communications during the next administration.

Fernando Carrillo

They say that when Cesar Gaviria saw the astonishing results of the vote on the National Constituent Assembly on 27 May of this year, he ordered his people to call Fernando Carrillo, an expert on constitutional issues and the fundmental driving force behind the student group which brought this idea of reforming Colombia's institutions to the nation's attention.

His colleagues say he is a real genius in legal issues. At the age of 27, he holds more degrees and has more areas of expertise both in Colombia and abroad than many of the most experienced jurists in Colombia.

The man who in the beginning was to serve as an adviser to Cesar Gaviria on specific issue of the Constituent Assembly has quickly become a real adviser on all legal matters. That will be Carrillo's role during the forthcoming administration.

To date his job has been to restructure the bill approving the Constituent Assembly which the political parties have passed, and it has been Gaviria's job to bring Carrillo down from the ivory tower of legal theory where he had been. "You could say that the president has had to 'pragmatize' him," said another of Cesar Gaviria's advisers.

His relationship with the president-elect has been very close, and it may be assumed that this man of the law may be behind the major legal decisions of the coming administration.

Rodrigo Pardo

At the age of 30, President Barco's former adviser on his image, this Andean political scientist and journalist, has earned a well merited reputation as an extremely calm, efficient and analytic adviser.

For Cesar Gaviria, Pardo is a man with an excellent grasp of international issues, and he has great skill in writing memoranda and reports, and in drafting speeches.

Of the advisers, he is the one who most recently joined Gaviria's team. Even though until the liberal popular elections he had worked with candidate Ernesto Samper, he is not considered a man of the present minister of development, but instead an important resource for the president and his minister of foreign relations.

Until a few days ago, Gaviria had thought of appointing him presidential adviser for international relations, but at the last minute he decided to name him vice minister for foreign affairs. This proximity to the president means that during the next administration, we can expect to find Rodrigo Pardo not in the ministry of foreign affairs, but more often in the corridors of the presidential offices.

Paraguay

Government Issues Decree on Economic Team

PY1109011090 Asuncion EL DIARIO in Spanish 6 Sep 90 p 11

[Text] The Executive Branch yesterday promulgated a decree officially giving the National Economic Team legal status to become the Presidency's advisory organization and the government's economic policy coordinator. The decree also establishes that the head of the Technical Planning Secretariat will be executive director of the team.

The economic team will be made up of the finance minister, agriculture minister, industry and commerce minister, Central Bank president, and Technical Planning Secretariat executive secretary. This team will meet regularly at least twice a month, and whenever called for by the executive director, who will preside over the sessions. According to the decree, any member can submit a request for a meeting, but the executive director is the one to issue the call for a meeting.

Moreover, ministers who are not members of the team will be able to participate in the session, with equal rights, when they either ask to attend or are called to attend if matters related to their ministries are discussed.

The decree also charges the National Economic Team with studying and establishing the prices of fuel and other petroleum by-products, as well as urban and interurban transport fares, water and electricity rates, telecommunications rates, and workers' salaries, as it has already been doing.

Consequently, as provided by the decree, the National Economic Team will play a decisive role in the government's economic policy.

Rodriguez Reasserts Decision on Waterway

PY1009153290 Asuncion ABC COLOR in Spanish 8 Sep 90 p 10

[Text] "It is the political will of the River Plate Basin governments to establish the waterway," President Andres Rodriguez reasserted yesterday, adding that this project in "an imperative necessity for our countries." He admitted that the undertaking could be running into some bureaucratic difficulties but reiterated that the decision to implement the project is firm.

Rodriguez said that the waterway will be established even though some stumbling blocks, particularly financial, are standing in the way. He expressed his optimism that these stumbling blocks could soon be overcome.

The chief of state added that "the participation of private companies of all the countries involved (Argentina, Brazil, Bolivia, Uruguay, and Paraguay) is even being studied, and financial resources could be found later."

He revealed that studies on the feasibility of dredging 3,000 km of channels on the Parana and Paraguay Rivers, down to their mouth on the River Plate, are continuing.

Reminded that his Bolivian counterpart, Jaime Paz Zamora, recently said that the waterway project was being delayed by bureaucracy, Rodriguez said that "this may be so" but again expressed his hope that the program could soon be effectively advanced, "although time can be lost on details."

Asked if he was anticipating a meeting with the Bolivian president, Rodriguez said that a meeting could take place at any time because a phone call is all that is needed to get together "at any time or place."

Uruguay

Compensation From Iraq Formally Requested

PY1009212590 Montevideo Radio El Espectador Network in Spanish 1600 GMT 10 Sep 90

[Text] The Uruguayan Government today formally requested the implementation of Article 50 of the UN Charter over the losses being caused to the country by the UN Security Council's economic blockade resolution against Iraq.

This information was confirmed by Foreign Minister Hector Gros Espiell who said that there is no precedence on this issue. Gros Espiell said that about 12 countries have submitted similar requests. [recorded passage indistinct]

Lacalle Denies Eventual Social Breakdown

PY1009204590 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1457 GMT 9 Sep 90

[Text] Montevideo, 9 Sep (AFP-NA)—Uruguayan President Luis Alberto Lacalle today denied the possibility of an eventual "social breakdown" in Uruguay. He also criticized those who discuss this possibility. He said: "This is very serious because it implies the destruction of the established order and the disruption of rules."

During an impromptu meeting with the local media, Lacalle said that his administration, which took office in March 1990, prefers to "tell the people the truth regarding the economic situation." He said that the truth "is as difficult and as harsh" as is the situation that he inherited.

Lacalle toured the coastal regions over the weekend. He said that he hopes increased tax collection and a better than 12-percent cut in public expenses "will have an impact in public finances."

Lacalle denied the possibility of an eventual "social breakdown" as a result of the current economic crisis. He asserted: "It is improper to discuss such a serious issue because it implies the destruction of the established order and the disruption of rules."

Lacalle attended the closure of the congress of the Federal Rural Cooperatives, which groups small- and medium-sized rural producers. He said: "We cannot carve the country into different pieces and try to save one region at the expense of another."

Noting that after six months in power the administration "is not able to show a balanced account," Lacalle said that Uruguay "not only owes $1.6 billion to the commercial banking sector, it also faces the possibility of a nonrenewal [no renovacion] of $1 billion in the treasury and a similar amount in bonuses."

Lacalle added: "Continued indebtedness is not in line with the philosophy upheld by this administration or with the market that is currently experiencing problems in placing government securities."

The president said: "There is a growing differentiation between what people want and what can be done," adding: "This is a dilemma that faces all who govern." Lacalle did admit, however, that the intention to end the fiscal deficit and to achieve balanced accounts "poses a great risk to social stability."

French Guiana

European Rocket Places 2 Satellites in Orbit

PA3108005690 Hamburg DPA in Spanish 2352 GMT 30 Aug 90

[Text] Kourou, 30 Aug (DPA)—This evening a European rocket placed two communications satellites in

orbit. An Ariane 44-LP rocket was launched at 2246 GMT from the Kourou Space Center in French Guiana. The rocket was carrying the Eutelsat, a modern satellite for television, telephone, and data transmission. This satellite will be operated by Eutelsat, a European organization. The rocket was also carrying a Skynet 4-A communications satellite belonging to the British Defense Ministry.

The purpose of the Eutelsat II-F1 satellite is to improve the communications between Eastern and Western Europe. Using its antennas it is possible to have simultaneous transmissions of television programs or exchanges of data from the Canary Islands to Israel or from northern Africa to the North Pole.

The Eutelsat organization, made up of 28 countries, wants to launch five more of these new satellites by the end of 1992. These new satellites can accomodate more channels, allow for greater projection, and have a greater reception capability for smaller antennas.

The II-F1 satellite will replace the Eutelsat I-F4, which has a 10-channel capacity and has been in orbit since 1987. This satellite will be used in the future in other ways.

Guyana

Opposition Reaches Agreement on Form of Government

FL0809113890 Bridgetown CANA in English
2146 GMT 7 Sep 90

[Text] Georgetown, Guyana, Sept 7, CANA—Guyana's opposition Patriotic Coalition for Democracy (PCD), which recently gave itself a September 7 deadline to sort out its internal differences, says it has agreed that it would form a one-year interim government should it win the upcoming general election. The agreement, reached during more than three hours of negotiations this week, supersedes an earlier one which provided for the setting up of an 18-month interim government.

The decision is being seen here as the lever that could move the stumbling block to agreement on who should be the consensus presidential candidate to head a joint slate of opposition candidates to challenge the 26-year-old rule of the People's National Congress (PNC) at the coming general election.

The contest within the PCD has boiled down to one between opposition leader Dr. Cheddi Jagan of the People's Progressive Party (PPP) and lawyer-trade unionist Ashton Chase, himself a former member of the PPP. Chase was nominated by the anti-government pressure group, Guyanese Action for Reform and Democracy (GUARD) which hopes to be awarded representation on the joint slate, though not a member of the PCD.

But within the PCD, Chase has the strong backing of the Working People's Alliance [WPA] which, like another PCD member, the National Democratic Front (NDF), favours a non-PCD person as the consensus presidential candidate.

PCD spokeswoman, Ms. Gail Teixeira, told CANA the one-year interim government proposal was made by the WPA and the PPP had no difficulties with accepting it. The proposal is seen as a major one because, according to well-placed sources within the PCD, one of the difficulties to reaching agreement is linked to suspicions about how the leading players within the coalition are likely to handle power during an interim government after which the parties would contest new elections as separate entities.

They said it is felt that the shorter the life of the interim government during which a new constitution would be framed, the less likely it would be that any party would be able to manipulate power to its advantage.

PCD Fails To Agree on Presidential Candidate

FL1009122690 Bridgetown CANA in English
2015 GMT 8 Sep 90

[Report by Courtney Gibson]

[Text] Georgetown, Guyana, Sept 8, CANA—Guyana's opposition parties grouped under the Patriotic Coalition for Democracy (PCD) say they have failed to agree on a presidential candidate and on a joint slate for elections due here by early 1990. The parties agreed at a three-hour meeting Friday night to abandon their nearly three-month long negotiations after neither the People's Progressive Party (PPP) nor the Working People's Alliance (WPA) budged from their positions.

PCD spokeswomen Gail Teixeira told CANA the PPP insisted that its leader, Dr. Cheddi Jagan, be the presidential candidate while the WPA maintained its support for attorney-at-law and trade unionist, Ashton Chase. Chase was nominated by Guyanese Action for Reform and Democracy (GUARD), a local pressure group.

In a joint 122-word statement issued Saturday, the PCD parties said that during their meetings from June 18 to September 7, they "reached agreement on a number of important issues but failed to agree on a total position." They said, however, they propose "to carry out activities which have already been planned in the fight for free and fair elections" and they will seek an appointment for a PCD delegation to meet with the Commonwealth planning mission expected here next week to prepare for the Commonwealth observers group which will monitor the coming election. That election must be held by the end of March, next year.

Commenting on the future of the PCD now that the unity talks have broken down, Teixeira told CANA Saturday the parties have agreed, in principle, they should continue fighting for free and fair elections.

"We have all agreed to try and keep the doors open for any possible alliances between now and election date," Teixeira explained.

She said such alliances could possibly involve two or more parties or all the PCD parties—"whatever the exigencies of the struggle throw up between now and then (election date)."

The breakdown of the talks means that barring any alliances that might emerge, the PCD members will now go their separate ways and contest the elections as individual parties. Their mission will remain the same: unseat the ruling People's National Congress (PNC) which has been in office since 1964 and which is now headed by President Desmond Hoyte. Already much talk is emerging about possible alliances.

Earlier this week, GUARD said it may be forced to support a "third slate" of candidates for the elections if the PCD failed to arrive at a "unified electoral solution." Such a "third slate," activists within GUARD told CANA, could well include representatives from opposition parties other than the PPP. The PPP-linked MIRROR newspaper this weekend reported Moses Nagamootoo, PPP spokesman and chief negotiator during the unity talks, as saying "certain elements" within GUARD wanted the PPP to "capitulate to political blackmail."

And Democratic Labour Movement (DLM) leader Paul Tennassee, whose party is being linked in some circles to a possible alliance with the PPP, primarily because of its support for the PPP package within the PCD, also dismissed GUARD's "third slate" idea.

"That is a lot of hot air. It has absolutely no future in this country. It is politically naive.... GUARD has no capacity to put out a third list," Tennassee told CANA.

PNC Launches Hoytes Re-Election Campaign

FL1009140490 Bridgetown CANA in English
1617 GMT 9 Sep 90

[Text] Georgetown, Guyana, Sept 9, CANA—A national commission for the support and re-election of Guyana's President Desmond Hoyte has been launched here as the ruling People's National Congress (PNC) begins its campaign for another five year term in office. The commission will be promoting the theme "a new beginning" and using as its logo, "The rising sun heralding the dawn of a new day," former vice-president Cammie Ramsaroop told the launching.

The commission representing a cross-section of the Guyanese society has pledged to raise Guy 35 million dollars (one Guy dollar = 2.2 U.S. cents) in support of Hoyte's re-election campaign. A confident Hoyte said that the election would be a straight fight between the ruling PNC and the Peoples Progressive Party (PPP).

"The elections will be fought between the PNC.... and the People's Progressive Party (PPP).... Those are the facts. The reality is there are two major political forces with very clear positions, and that is the choice the people of Guyana will have to make," Hoyte said.

Elections must be held no later than March next year, and Hoyte said a victory for the PNC would mean a continuation of his government's economic programme.

"What is at stake really, is continuity, the continuity of the economic recovery programme, the continuity of the support from the Guyana Support Group and other members of the international community....," Hoyte said.

Hoyte also brushed aside criticism from the opposition groups here for overseas observers to monitor the polls.

"They want observers. They have no confidence in themselves (and) in the Guyanese people. I have given them foreign observers.... They now say they want more observers.... as if we are not running elections in this country," Hoyte said.

"I do not propose to run a circus in the cooperative Republic of Guyana. I am running a government and I have the honour to be the leader of a people who are sensitive and proud, who are not mendicants and menials; people who have the confidence in themselves and who have self respect.

"All this talk about observers comes from people who are contemptuous of the intelligence and the sensitivity of the Guyanese people as a proud and independent nation," Hoyte said.

Opposition Party Launches Election Campaign

FL1009202590 Bridgetown CANA in English
1917 GMT 10 Sep 90

[Text] Georgetown, Guyana, Sept 10, CANA—Guyana's opposition Peoples Progressive Party (PPP) leader Dr. Cheddi Jagan has called for nation-wide strikes and demonstrations in a bid to force the ruling Peoples National Congress (PNC) out of office. Launching his party's election campaign on Sunday, Jagan promised that "deliverance is at hand" and urged Guyanese to "step up the fight...(by) shutting down everything and taking to the streets in peaceful mass demonstrations".

"This means that all forces, political and non-political, must take common actions. There must be total non-co-operation with this corrupt minority regime," Jagan told supporters at a public rally at Port Mourant, his hometown in eastern Guyana. He warned that if the forthcoming elections—to be held no later than March next year—were rigged the PPP will set up its own government.

"We want everyone to know that if the PNC steals the government again, there will be a parallel government in Guyana," Jagan, a former premier, said. "We must be prepared for the final crunch, the final showdown," he added.

Jagan said that Guyanese should demand "with one mighty voice" that they want 1,800 overseas observers to monitor the upcoming elections. "Two for every polling place," he said.

Jagan said that voters must demand that "the ballots be counted at the place of poll, (and) that the military stay in barracks on polling day". He also called on the chairman of the Elections Commission, Sir Harold Bollers, to "retire gracefully and in peace before the people kick him out". The PPP leader urged voters to demand a reconstituted Elections Commission.

Jagan said that in the stepped-up fight to remove the PNC from office, "the patriotic forces in the state apparatus—civil, military and paramilitary—have a special responsibility".

"I appeal to you to act as guardians of the fundamental rights in our constitution and to maintain your independence", Jagan said. "Let us forget past recriminations. We are not interested in vendettas," he added.

Jagan said the PNC was guilty of "pawning away" Guyana's natural and other strategic resources, as well as being guilty of mismanagement of the economy.

The rally was preceded by two marches with protestors carrying placards denouncing the PNC, supporting Jagan as the PPP's presidential candidate for the upcoming elections, and calling for "free and fair elections". The PNC has consistently denied opposition charges of rigging all elections here in the last 20 years.

Soviet Ambassador Remarks on Trade With USSR

FL0809160190 Bridgetown CANA in English 1536 GMT 8 Sep 90

[Text] Georgetown, Guyana, Sept 8, CANA—This has been "a very unfortunate year" in Guyana-Soviet trade relations, Soviet Ambassador to Guyana Mikhail Sobolev told journalists. He and other Soviet officials say they are confident, however, that "new forms of trade and economic co-operation" will emerge between the two countries as a result of the current restructuring of the Soviet economy.

"It (the volume of trade between Guyana and the Soviet Union this year) was practically nil because of the difficult financial and economic situation in both countries," the ambassador said during a news conference to brief journalists on the results of the annual consultations between foreign affairs representatives of Guyana and the Soviet Union.

In recent years, the major trading activities between the two countries revolved around a barter arrangement under which Guyana was supposed to supply bauxite in payment for a Tupolev jet and three helicopters from the Soviet Union. The jet has since been returned to the Soviets because of dissatisfaction over its performance, the helicopters are now grounded for want of spare parts and regulation servicing, and Guyana has not been making any bauxite shipments. And, according to Sobolev, Guyana's debt to the Soviet Union now stands at about three million U.S. dollars. But this matter was not discussed during this week's consultations.

The consultations are held alternately in Moscow and Georgetown.

Deputy head of the Latin American Department of the Soviet Union's External Affairs Ministry Yan A. Burlyay, who came to Guyana for the three-day consultations, said the prospects for expanding and deepening Guyana-Soviet relations were addressed.

"We spoke about giving them additional impetus by finding new ways of cooperation in the trade and economic sphere," he said. "There are many unused possibilities" and the Soviet Union is in favour of new forms of co-operation," he added. "In particular, we consider it essential to create joint venture enterprises, the production of which could be exported to third countries."

He said he expects that in the process of the restructuring of the Soviet economy, "the possibilities will appear for the acceleration of Guyana-Soviet economic relations".

Survey Shows Spiraling Increase in Cost of Living

FL1009143990 Bridgetown CANA in English 2008 GMT 9 Sep 90

[Text] Georgetown, Guyana, Sept 9, CANA—Guyanese have experienced the sharpest increases in the cost of living over the past five years compared with citizens of other Caribbean Community states. Statistics on the spiraling increase in the cost of living and how it is affecting the Guyanese people are examined in the latest "International Bulletin" published by the opposition Working People's Alliance (WPA).

The bulletin for the month of August, made available to the local and regional media, states that Guyanese "continue to be battered by the increase in cost of living." According to the WPA, for the five-year period under review the cost of living in Guyana jumped by some 391.7 per cent, compared with, for instance Barbados's 114.2 per cent, and Trinidad and Tobago's 140 per cent.

In Guyana, the minimum daily wage is currently below that of Haiti (U.S. 2.75-3 dollars) with the Guyana dollar worth U.S. two cents. The WPA explained, on the basis of its survey, that it would cost approximately Guy 1,123 dollars to purchase the necessary clothing and shoes for just one boy between the ages of seven to twelve for school.

The minimum daily wage in Guyana is currently Guy 50 dollars or approximately just over U.S. 1 dollar. For some Guyanese workers it would take as much as half a month's pay to outfit one 7-12 year old boy or girl for the new school term, without including the cost for snack or transportation, the WPA said.

The Federation of Independent Trade Unions of Guyana (FITUG), said recently in making its own assessment of the deteriorating standard of living of Guyanese workers, that if there were two wage-earners in a family, half of their total wages would be required to pay their "bread bill" which amounts to about 1,200 dollars a month.

In this rice and sugar-producing country, shortages and rising prices of these basic commodities are no longer unsual. One gallon of rice currently sold at 56-65 dollars, costs more than a day's minimum wage and a cake of washing soap requires spending about one quarter of a worker's daily minimum wage. One pound of chicken costs 70 dollars, with a pound of dried saltfish at 40 dollars and a pound of cheese as much as 140 dollars or almost three times a day's basic wage.

Strikes Affect Sugar Industry; Production Falters

FL1009130590 Bridgetown CANA in English 2146 GMT 8 Sep 90

[Text] Georgetown, Guyana, Sept 8, CANA—Guyana's sugar production for the current second crop is lagging 7,625 long tons behind the 27,170 tons the local industry had been targeted to produce by this weekend, the state-owned Guyana Sugar Corporation (Guysuco) said Saturday. The corporation reported production this past week was badly affected by a strike called Monday and Tuesday by the Guyana Agricultural and General Workers Union (GAWU).

It said the strike resulted in its eight grinding estates producing only 3,785 tons of sugar against the targeted 5,805 tons—a shortfall of 2,020 tons. GAWU which is linked to the opposition People's Progressive Party and which is the country's largest trade union, says it called out its members on strike earlier this week to back demands for more pay for sugar workers and demands that Guysuco returns to the bargaining table.

Just over a week ago, Guysuco implemented a 25 per cent wage increase for sugar workers based on an announcement made earlier by President Desmond Hoyte who had intervened in prolonged wages talks for public sector workers. Hoyte authorised the payment of 25 per cent increases for sugar and bauxite workers and 20 per cent increases for other public sector workers. Hoyte had indicated that his intervention was not intended to prejudice the on-going discussions taking place between the workers' representatives and the employers.

GAWU says, however, it is peeved that Guysuco has refused to return to the bargaining table to continue talks on the wages issue and on a number of other outstanding issues. It says that while the recent 25 per cent increase has taken the daily minimum wage in the industry to 60 dollars (one Guy dollar = 2.2 U.S. cents), it is demanding a 160 dollar per day minimum wage.

This week's two day strike was described by Guysuco as "irresponsible." "The Guyana Sugar Corporation notes with deep concern the irresponsible behaviour of those who are bent on disrupting production in the sugar industry, especially at a time when sugar workers have been making tremendous efforts to improve production," the corporation said in its weekend statement.

"The corporation is once again urging its work force to take up the challenge and not to be misled by elements who are bent on destroying the industry," it added.

Guysuco did not indicate if or when it intends to return to the bargaining table. GAWU officials told CANA; however, the union expects a resumption of talks next week.